

In the opinion of Bond Counsel, under existing law, interest on the 2025 Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel is also of the opinion that, under existing law, interest on the 2025 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York. See “TAX MATTERS” herein regarding certain other tax considerations.



\$365,000,000
UNITED NATIONS DEVELOPMENT CORPORATION
(a public benefit corporation of the State of New York)
2025 BONDS, SERIES A (FEDERALLY TAXABLE)

Dated: Date of Delivery**Due: August 1, as shown on the inside front cover**

The United Nations Development Corporation (the “Corporation”), a body corporate and politic, constituting a public benefit corporation of the State of New York is issuing its \$365,000,000 2025 Bonds, Series A (Federally Taxable) (the “2025 Bonds”) pursuant to an Indenture of Trust and a First Supplemental Indenture of Trust (collectively, the “Indenture”), each to be dated the date of delivery of the 2025 Bonds and each by and between the Corporation and The Bank of New York Mellon, as Trustee (the “Trustee”) to be applied, together with other available funds of the Corporation, to (i) finance renovations and capital improvements to certain properties operated and maintained by the Corporation known as One UN Plaza and Two UN Plaza and to finance certain tenant incentives relating thereto, (ii) retire the Corporation’s Defeased Bonds (as defined herein), (iii) fund certain reserves, and (iv) pay certain costs incurred in connection with the issuance of the 2025 Bonds. See “THE PROJECT” and “PLAN OF DEFEASANCE” herein.

The 2025 Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the 2025 Bonds. Purchasers will not receive certificates representing their ownership interests in the 2025 Bonds purchased. See “BOOK-ENTRY ONLY SYSTEM” herein. Interest on the 2025 Bonds is payable semiannually on February 1 and August 1, commencing August 1, 2025. So long as DTC or its nominee is the registered owner of the 2025 Bonds, disbursements of principal and interest are to be made directly to such registered owner and disbursement of such payments to the beneficial owners is the responsibility of DTC and the DTC Participants as described herein.

The 2025 Bonds will be payable from and secured by a pledge of Revenues, Funds and Accounts as described in the Indenture. The 2025 Bonds are further secured by certain amounts that may become payable by The City of New York (the “City”), subject to appropriation, under a City Backup Lease and a City Support Agreement (each as defined herein) and by the Leasehold Mortgages, an Assignment of Leases and Rents, and a Collateral Assignment of Project Documents (each as defined herein) with respect to the UNDC Mortgaged Premises (as defined herein). Additional Bonds on a parity with the 2025 Bonds may be issued in accordance with the Indenture.

The 2025 Bonds are subject to redemption prior to maturity as described herein.

The 2025 Bonds are not a debt of the United Nations (the “UN”), United Nations Development Programme (“UNDP”), the United Nations Children’s Fund (“UNICEF”), the United States of America or the State or The City of New York, none of which shall be liable thereon. The Corporation has no taxing power.

The 2025 Bonds are offered when and if issued and received by the Underwriters and subject to the unqualified approval of legality by Nixon Peabody LLP, New York, New York, Bond Counsel. Certain legal matters will be passed upon for the Corporation by BurgherGray LLP, New York, New York, as its counsel. Certain legal matters with respect to the City will be passed upon by the City’s Corporation Counsel. Certain legal matters with respect to the City’s disclosure in Appendix L to this Official Statement will be passed upon by Orrick, Herrington & Sutcliffe LLP, New York, New York, Special Disclosure Counsel to the City. Certain legal matters will be passed upon for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, New York, New York. It is expected that the 2025 Bonds will be available for delivery at DTC in New York, New York, on or about April 30, 2025.

Goldman Sachs & Co. LLC**Siebert Williams Shank**

Dated: April 22, 2025

\$365,000,000
UNITED NATIONS DEVELOPMENT CORPORATION
(a public benefit corporation of the State of New York)
2025 BONDS, SERIES A (FEDERALLY TAXABLE)

MATURITY SCHEDULE

Serial Bonds

<u>Due</u> <u>August 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u> <u>Number</u> [†]
2031	\$ 845,000	5.187%	100%	911157LV5
2032	1,020,000	5.287	100	911157LW3
2033	1,410,000	5.411	100	911157LX1
2034	1,800,000	5.511	100	911157LY9
2035	2,665,000	5.561	100	911157LZ6
2036	4,465,000	5.661	100	911157MA0
2037	5,065,000	5.761	100	911157MB8
2038	5,715,000	5.861	100	911157MC6
2039	6,420,000	5.931	100	911157MD4
2040	7,620,000	6.011	100	911157ME2

Term Bonds

\$327,975,000 6.536% Term Bonds, due August 1, 2055, Price: 100% CUSIP: 911157MF9[†]

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein are provided by CGS, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. These data are not intended to create a database and do not serve in any way as a substitute for the CGS database. CUSIP® numbers listed above have been assigned by an independent company not affiliated with the Corporation and are being provided solely for the convenience of Bondholders only at the time of issuance of the 2025 Bonds, and neither the Corporation nor the Underwriters make any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP® number for a specific maturity is subject to being changed after the issuance of the 2025 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2025 Bonds.

No dealer, broker, salesperson or other person has been authorized by the Corporation, the City or the Underwriters to give any information or to make any representations in connection with the 2025 Bonds or the matters described herein, other than as contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the 2025 Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been furnished by the Corporation, the City as to Appendix L and other sources which the Corporation believes to be reliable. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement, nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Corporation or the City since the date hereof. The Underwriters have provided the following sentence for inclusion in this Official Statement: the Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

References in this Official Statement to any legislation or documents, including the Act (as defined herein), and the Indenture do not purport to be complete. Refer to such legislation and documents for full and complete details of their provisions. Following delivery of the 2025 Bonds, copies of the Indenture are expected to be on file with the Trustee.

If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates” and analogous expressions are intended to identify forward looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Corporation and the City. These forward looking statements speak only as of the date of this Official Statement. The Corporation disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statement contained herein to reflect any change in the Corporation’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

The agreements of the Corporation with Owners of the 2025 Bonds are fully set forth in the Indenture and the 2025 Bonds. Neither any advertisement of the 2025 Bonds nor this Official Statement is to be construed as a contract with purchasers of the 2025 Bonds.

Any statements in this Official Statement involving matters of opinion, whether or not expressly stated, are intended merely as expressions of opinion and not as representations of fact.

IN CONNECTION WITH THE OFFERING OF THE 2025 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2025 BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE 2025 BONDS TO CERTAIN DEALERS AND DEALER BANKS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

THE CORPORATION MAKES NO REPRESENTATION AS TO THE ACCURACY, COMPLETENESS OR ADEQUACY OF THE INFORMATION UNDER THIS CAPTION. REFERENCES UNDER THIS CAPTION TO “BONDS” OR “SECURITIES” MEAN THE 2025 BONDS OFFERED HEREBY. THESE LEGENDS ARE BEING PROVIDED SOLELY FOR THE CONVENIENCE OF THE PURCHASERS. COMPLIANCE WITH ANY RULES OR RESTRICTIONS OF ANY JURISDICTION RELATING TO THE OFFERING, SOLICITATION AND/OR SALE OF THE 2025 BONDS IS THE RESPONSIBILITY OF THE PURCHASERS AND THE CORPORATION SHALL NOT HAVE RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH.

IN CONNECTION WITH OFFERINGS AND SALES OF THE 2025 BONDS, NO ACTION HAS BEEN TAKEN BY THE CORPORATION THAT WOULD PERMIT A PUBLIC OFFERING OF THE 2025 BONDS, OR POSSESSION OR DISTRIBUTION OF ANY INFORMATION RELATING TO THE PRICING OF THE 2025 BONDS, THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING OR PUBLICITY MATERIAL RELATING TO THE 2025 BONDS, IN ANY NON-U.S. JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

European Economic Area

The 2025 Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a “qualified investor” as defined in Regulation (EU) 2017/1129 (as amended, the “Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the 2025 Bonds or otherwise making them available to retail investors in the EEA has been prepared and, therefore, offering or selling the 2025 Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

United Kingdom

This Official Statement as not been approved by an authorised person in the United Kingdom and is for distribution only to, and is directed only at, persons who (i) are outside the United Kingdom, (ii) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), (iii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any 2025 Bonds may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This Official Statement is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Official Statement relates is permitted only by relevant persons and will be engaged in only with relevant persons.

UK PRIIPs Regulation / Prohibition of Sales to UK Retail Investors

The 2025 Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the “FSMA”), and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (“UK MiFIR”); or (iii) not a “qualified investor” as defined in Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “UK Prospectus Regulation”). Consequently, no key information document required by the PRIIPs Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the 2025 Bonds or otherwise making them available to retail investors in the UK has been prepared and, therefore, offering or selling the 2025 Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Switzerland

The 2025 Bonds may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This Official Statement does not constitute a prospectus or a key information document within the meaning of the Swiss Federal Act on Financial Services (“FINSA”) or a listing prospectus within the meaning of the SIX listing rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Official Statement nor any other offering or marketing material relating to the 2025 Bonds or the offering may be publicly offered or otherwise made publicly available in Switzerland. Accordingly, this Official Statement may be communicated in or from Switzerland to a limited number of selected investors only.

None of this Official Statement or any other offering or marketing material relating to the offering, the issuer or the 2025 Bonds have been or will be filed with or approved by any Swiss regulatory authority. In particular, this official statement will not be filed with, and the bonds will not be supervised by, the Swiss Financial Market Supervisory Authority (“FINMA”).

The 2025 Bonds do not constitute collective investments schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes (“CISA”). Accordingly, investors are exposed to the default risk of the issuer and do not have the benefit of the specific investor protection provided under the CISA.

Hong Kong

The 2025 Bonds may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (“Companies (Winding Up and Miscellaneous Provisions) Ordinance”) or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“Securities and Futures Ordinance”), or (ii) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the 2025 Bonds may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to notes which

are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This Official Statement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Official Statement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the 2025 Bonds may not be circulated or distributed, nor may the 2025 Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA")) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the 2025 Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the 2025 Bonds under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ("Regulation 32").

Where the 2025 Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the 2025 Bonds under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than \$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Japan

The 2025 Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The 2025 Bonds may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

Canada

The 2025 Bonds may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the 2025 Bonds must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Official Statement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Brazil

THE OFFER AND SALE OF THE 2025 BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE BRAZILIAN SECURITIES COMMISSION (COMISSÃO DE VALORES MOBILIÁRIOS, OR "CVM") AND, THEREFORE, WILL NOT BE CARRIED OUT BY ANY MEANS THAT WOULD CONSTITUTE A PUBLIC OFFERING IN BRAZIL UNDER CVM RESOLUTION NO 160, DATED 13 JULY 2022, AS AMENDED ("CVM RESOLUTION 160") OR UNAUTHORIZED DISTRIBUTION UNDER BRAZILIAN LAWS AND REGULATIONS. THE 2025 BONDS MAY ONLY BE OFFERED TO BRAZILIAN PROFESSIONAL INVESTORS (AS DEFINED BY APPLICABLE CVM REGULATION), WHO MAY ONLY ACQUIRE THE 2025 BONDS THROUGH A NON-BRAZILIAN ACCOUNT, WITH SETTLEMENT OUTSIDE BRAZIL IN NON-BRAZILIAN CURRENCY. THE TRADING OF THE 2025 BONDS ON REGULATED SECURITIES MARKETS IN BRAZIL IS PROHIBITED.

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OFFICIAL STATEMENT
of the
UNITED NATIONS DEVELOPMENT CORPORATION
(a public benefit corporation of the State of New York)
relating to its

\$365,000,000
2025 BONDS, SERIES A (FEDERALLY TAXABLE)

This Official Statement (which includes the cover page and appendices) of the United Nations Development Corporation (the “Corporation”) is provided to furnish information with respect to the Corporation, its properties and the \$365,000,000 aggregate principal amount of its 2025 Bonds, Series A (Federally Taxable) (the “2025 Bonds”) offered hereby. The 2025 Bonds are to be issued pursuant to an Indenture of Trust (the “General Indenture”) and a First Supplemental Indenture of Trust (the “First Supplemental Indenture” and, together with the General Indenture, the “Indenture”), each dated as of the date of delivery of the 2025 Bonds (the “Closing Date”), and each by and between the Corporation and The Bank of New York Mellon, as Trustee (the “Trustee”). Additional Bonds (as defined herein) issued on parity with the 2025 Bonds are collectively referred to herein, along with the 2025 Bonds, as “Bonds.” Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture. See “FORM OF INDENTURE OF TRUST” in **APPENDIX A** hereto.

INTRODUCTORY STATEMENT

The Corporation

The Corporation is a body corporate and politic constituting a public benefit corporation organized and existing under the laws of the State of New York (the “State”), including particularly Chapter 345, Laws of New York, 1968, as amended (the “Act”). The Corporation was created to undertake coordinated development of office space and other facilities in the area of the United Nations (“UN”) headquarters in The City of New York (the “City”) to support the official international community in the City, including the UN, missions to the UN and UN-related programs and activities (together, the “UN Community”). For a detailed description of the Corporation, its governing structure and staff, see “THE CORPORATION.” For a description of the UN and certain related entities see, “THE UNDC PROPERTIES — The Primary Tenants.”

The City

The City of New York is a municipal corporation with an estimated population of 8.3 million as of July 2023. The City is an international center of business, culture and tourism with a broad-based economy. The City is the fee owner of the buildings referred to herein as the UNDC Properties, which it has leased to the Corporation pursuant to the City Leases (as defined herein). The City has also entered into a backup lease and a support agreement with the Corporation pursuant to which it has agreed to make certain payments, subject to appropriation, upon the occurrence of certain events or in the event of deficiencies in the Corporation’s revenue that are projected to affect the Corporation’s ability to make payments due in respect of the 2025 Bonds. See “THE UNDC PROPERTIES” and “CITY SUPPORT FOR THE 2025 BONDS.”

UNDC Properties

Pursuant to the City Leases (as defined herein), the Corporation operates and maintains the commercial portions of certain properties known as “One UN Plaza,” “Two UN Plaza” and “Three UN

Plaza” (collectively, the “UNDC Properties”) on behalf of the City, as owner of the buildings, and leases such properties to the UN and certain members of the UN Community. For a discussion of the properties and their respective ownership structures see “THE UNDC PROPERTIES — The Properties: One, Two and Three UN Plaza.”

The Corporation has entered into a new lease with the United Nations Development Programme (“UNDP”) for approximately 60% of the office space at One UN Plaza (the “New One UN Plaza UNDP Lease”) and a new lease with the UN for substantially all of the office space at Two UN Plaza (the “New Two UN Plaza UN Lease”), each of which will become effective upon the issuance of the 2025 Bonds. The New One UN Plaza UNDP Lease and the New Two UN Plaza UN Lease are referred to herein (collectively or individually as the context requires) as the “New UN/UNDP Leases.” (See “SUMMARY OF NEW ONE UN PLAZA UNDP LEASE” in **APPENDIX B** and “SUMMARY OF NEW TWO UN PLAZA UN LEASE” in **APPENDIX C**. See “THE NEW LEASES — New UN/UNDP Leases.”)

Under the terms of the New UN/UNDP Leases the Corporation is obligated to undertake certain improvements to One UN Plaza and Two UN Plaza and to provide the UN and UNDP with certain tenant incentives in the form of free rent and a tenant improvement allowance to fund a portion of the improvements that the UN and UNDP will each undertake within their respective leased premises. For a description of the UN and UNDP see “THE UNDC PROPERTIES — The Primary Tenants; The United Nations and The United Nations Development Programme.”

Upon the expiration of the Three UN Plaza UNICEF Lease (as defined herein) on July 2, 2026 and the satisfaction of certain conditions, title to Three UN Plaza will be transferred to United Nations Children’s Fund (“UNICEF”) or the UN without payment to the Corporation and Revenues (as defined herein) will no longer include amounts derived from or otherwise relating to Three UN Plaza. See “THE UNDC PROPERTIES — The Properties: One, Two and Three UN Plaza — *Three UN Plaza*.”

Purpose of the 2025 Bonds

The proceeds of the 2025 Bonds are expected to be applied, together with other available funds of the Corporation, to (i) finance renovations and capital improvements to One UN Plaza and Two UN Plaza and to finance certain tenant incentives relating thereto, as further described herein, (ii) retire all of the Corporation’s outstanding Special Obligation Bonds of 1978 (the “1978 Bonds”), Special Obligation Bonds of 1980 (the “1980 Bonds”) and 2019 Refunding Bonds, Series A (the “2019 Bonds”; and, together with the 1978 Bonds and the 1980 Bonds, the “Defeased Bonds”), (iii) fund certain reserves, and (iv) pay certain costs incurred in connection with the issuance of the 2025 Bonds. See “THE PROJECT” herein.

The Project

For a description of the building-wide renovations and capital improvements to One UN Plaza and Two UN Plaza, see “THE PROJECT — The Renovation Plan for One UN Plaza and Two UN Plaza.” The Corporation has hired Turner Construction Company to serve as construction manager under a Construction Management Services agreement with a Guaranteed Maximum Price. See “THE PROJECT — Construction Management and the Guaranteed Maximum Price Contract; Construction Manager — Turner Construction Company.” The Corporation has also hired Cushman & Wakefield to provide Project management services, Jones Lang LaSalle Americas, Inc. to provide certain monitoring services, Cosentini Associates as engineer of record and Spacesmith as architect of record.

Security for the Bonds

The 2025 Bonds will be payable from and secured by a pledge of (i) the Revenues (as defined under “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Pledge of the Indenture”) and all funds and accounts held by the Trustee under the Indenture (“Funds and Accounts”, not including the Operating Fund and the Project Contingency Fund), (ii) all rights and interest of the Corporation in or to the Basic Annual Rent (as defined in the City Backup Lease) payable by the City under the City Backup Lease (as defined herein), (iii) City Support Payments (as defined herein) under the City Support Agreement, and (iv) any and all other property or security interests granted or pledged from time to time as additional security under the Indenture. Revenues presently include amounts derived from the Corporation’s operation and maintenance of all three UNDC Properties. Upon the expiration of the Three UN Plaza UNICEF Lease on July 2, 2026 and the satisfaction of certain conditions, title to Three UN Plaza will be transferred to UNICEF or the UN and Revenues will no longer include amounts derived from or otherwise relating to Three UN Plaza. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Pledge of the Indenture” herein.

The Funds and Accounts created under the Indenture include the Liquidity Reserve Fund, which is established to address potential Revenue deficiencies affecting the Corporation’s ability to pay debt service pending the completion of the City’s appropriations process in connection with any Basic Annual Rent or Support Payments to be made by the City. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Liquidity Reserve Fund.” Draws on the Liquidity Reserve Fund will be replenished by Support Payments under the City Support Agreement, subject to appropriation. See “CITY SUPPORT FOR THE 2025 BONDS — City Support Agreement.”

The 2025 Bonds are additionally secured by (i) the Leasehold Mortgages (as defined herein) encumbering the Corporation’s interests in One UN Plaza and Two UN Plaza (collectively, the “UNDC Mortgaged Premises”), (ii) the Assignment of Leases and Rents (the “Assignment of Leases and Rents”), and (iii) the Assignment of Project Documents (as defined herein). Three UN Plaza and the Hotel Unit are not subject to the Leasehold Mortgages. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Leasehold Mortgages” and “LEASEHOLD MORTGAGES” in **APPENDIX F** hereto.

Additional Bonds on a parity with the 2025 Bonds may be issued in accordance with the Indenture, See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additional Bonds.” The 2025 Bonds are not a debt of the UN, UNDP, UNICEF, the United States of America or the State or The City of New York, none of which shall be liable thereon. The Corporation has no taxing power.

Redemption

The 2025 Bonds are subject to redemption prior to maturity as described herein. See “THE 2025 BONDS — Redemption” herein.

City Support for the 2025 Bonds

The Corporation has entered into two agreements with the City to provide additional support for the 2025 Bonds: (a) a lease (the “City Backup Lease”), pursuant to which, subject to certain notice and other requirements, the City has agreed to lease certain portions of One UN Plaza and Two UN Plaza (i) if the UN or UNDP exercises certain shedding rights, contraction rights and non-renewal rights under the respective New UN/UNDP Leases, or fails to fully expand its premises under the respective New UN/UNDP Leases pursuant to any option or right of first refusal, or (ii) upon the occurrence of certain termination events under the New UN/UNDP Leases, and (b) a support agreement (the “City Support Agreement”), pursuant to which, subject to certain notice and other requirements, the City agrees to make

payments (“City Support Payments”) to cover debt service deficiencies and to reimburse amounts drawn from the Liquidity Reserve Fund and applied to debt service if any event or circumstance has occurred that results in the Corporation projecting that Revenues will not be sufficient to provide for the necessary deposits to the Debt Service Fund at any time during the ensuing 18 months. See “CITY SUPPORT FOR THE 2025 BONDS — The City Backup Lease” and “FORM OF CITY BACKUP LEASE” in **APPENDIX D** hereto and “CITY SUPPORT FOR THE 2025 BONDS — City Support Agreement” and “FORM OF CITY SUPPORT AGREEMENT” in **APPENDIX E** hereto.

PAYMENTS UNDER THE CITY BACKUP LEASE AND CITY SUPPORT AGREEMENT ARE SUBJECT TO ANNUAL APPROPRIATION BY THE CITY AND TO THE AVAILABILITY OF MONEY FOR SUCH PAYMENTS. THE CITY BACKUP LEASE AND CITY SUPPORT AGREEMENT AND THE CITY’S OBLIGATION TO MAKE PAYMENTS THEREUNDER DO NOT CONSTITUTE DEBT OF THE CITY UNDER OR WITHIN THE MEANING OF THE STATE CONSTITUTION OR THE LOCAL FINANCE LAW OF THE STATE. THE CITY IS NOT LEGALLY REQUIRED TO MAKE ANNUAL APPROPRIATIONS FOR SUCH PAYMENTS. THE ABILITY OF THE CITY TO MAKE BASIC ANNUAL RENT PAYMENTS UNDER THE CITY BACKUP LEASE AND CITY SUPPORT PAYMENTS UNDER THE CITY SUPPORT AGREEMENT MAY DEPEND ON THE FINANCIAL CONDITION OF THE CITY. SEE APPENDIX L FOR INFORMATION ABOUT THE CITY.

Risk Factors

Purchase of the 2025 Bonds involves certain risks. See “CERTAIN RISK FACTORS.”

Miscellaneous

This Official Statement includes summaries of the terms of the 2025 Bonds and certain provisions of the Indenture, summaries of certain leases and other agreements relating to the UNDC Properties and the UNDC Mortgaged Premises, including the Leasehold Mortgages, certain financial information with respect to the Corporation and the City and estimates and forecasts of future revenues. The summaries or descriptions herein of documents, agreements and reports do not purport to be complete, comprehensive or definitive and are qualified in their entirety by reference to such documents, agreements and reports, copies of which are set forth in the Appendices hereto or are available for inspection at the office of the Corporation.

THE CORPORATION

The Corporation is a body corporate and politic constituting a public benefit corporation organized and existing under the laws of the State, including particularly the Act. The Act provides that the Corporation’s existence continues until terminated by law. However, no law terminating the Corporation’s existence may take effect if any bonds, notes or other obligations of the Corporation are then outstanding, unless adequate provision has been made for the payment thereof. Upon termination of the existence of the Corporation, all its rights and properties not otherwise disposed of shall pass to and be vested in the State.

The mission of the Corporation is to provide office space and other facilities that help meet the current and future needs of the UN and the UN Community, and otherwise to assist the UN Community in meeting its real estate needs. To accomplish its mission and help the City and State fulfill their responsibilities as hosts to the UN Community, the Corporation develops and operates office and other facilities for the benefit of the UN Community. The Corporation also provides advice and services,

including studies, with respect to real estate needs and development within the State of New York as requested by the State or the City, the United States, or the UN.

Members

The Corporation is governed by a 15 member Board of Directors (the “Board”). Of the 15 members, two serve as *ex officio* members by virtue of their respective offices as Commissioner of the New York City Department of Housing Preservation and Development and as Chair of the New York City Planning Commission, eight are appointed by and serve at the pleasure of the Governor of the State and five (including the Chair of the Board) are appointed by and serve at the pleasure of the Mayor of the City. Members are appointed for terms of three years and may be reappointed for an unlimited number of terms, and continue to serve until their successors are appointed. There is currently one vacancy on the Board subject to appointment by the Governor of the State. No member may receive, directly or indirectly, any salary, compensation or emoluments from the Corporation in any capacity. The President of the Corporation is appointed by the Chair after consultation with the Mayor of the City. The duties of the President are being performed by the Corporation’s Executive Vice President and General Counsel.

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The Corporation's current members are as follows:

<u>Name</u>	<u>Original Date of Appointment as Member</u>	<u>Occupation/Affiliation</u>
George Klein, Chairman ^{†††}	November 1971	Chairman & CEO, Park Tower Group
Robert Abrams, Esq. ^{††}	August 2008	Former New York State Attorney General and Retired Partner, Stroock & Stroock & Lavan LLP*
Jan Burman ^{††}	October 2013	Chairman, B2K Development
Ahmed Tigani [†]	March 2025	Acting Commissioner, New York City Department of Housing Preservation and Development
Christine Falvo ^{†††}	June 2016	Chief Operating Officer, Rubenstein
Daniel Garodnick [†]	January 2022	Chair, New York City Planning Commission
Jessica Healy ^{†††}	June 2016	Principal, Seven Willow Collaborative
Amabel B. James ^{††}	December 2014	James Family Foundation
David S. Mack ^{††}	October 2017	The Mack Company
Edward Mermelstein ^{†††}	October 2022	Commissioner, New York City Mayor's Office of International Affairs
Samuel Natapoff ^{††}	December 2010	President, Empire Global Ventures LLC
Joseph Rutigliano ^{††}	September 2015	Managing Member, Ruterra Partners, LLC
Andy K. Shenoy ^{††}	December 2010	Executive Director, Trivision Health Center
Joel M. Silverman ^{†††}	March 2012	Joel M. Silverman and Associates, LLC

[†] Ex-officio.

^{††} Appointed by the Governor.

^{†††} Appointed by the Mayor.

* Stroock & Stroock & Lavan LLP dissolved at the end of 2023.

Corporate Officers

<u>Name</u>	<u>Year Joined</u>	<u>Role</u>
Robert Cole	2004	Executive Vice President & General Counsel
Jorge Ortiz	1988	Vice President & Treasurer
Loida Diaz-de Jesus	2005	Senior Vice President

THE UNDC PROPERTIES

General

The Corporation operates the commercial portions of the UNDC Properties, but not the hotel portions, and is the UN's major landlord in the City. The UNDC Properties include approximately 1,090,000 rentable square feet of office and other space, excluding the Hotel Unit and Hotel Subleased Premises (as such terms are defined herein).

One UN Plaza and Two UN Plaza opened in 1975 and 1983, respectively. The Corporation's principal tenants have historically been the UN and foreign missions to the UN. Together they have leased and occupied approximately 99% of the rentable office space in One UN Plaza and Two UN Plaza and have paid all rent and other amounts to the Corporation as required under their applicable lease agreements. In addition, UNDP has occupied office space in One UN Plaza as a subtenant of the UN for more than 40 years.

UNICEF currently leases and occupies all of the approximately 205,000 square feet of office space in Three UN Plaza under a lease agreement with the Corporation (the "Three UN Plaza UNICEF Lease") and has timely paid its rent under its lease. Upon the expiration of the Three UN Plaza UNICEF Lease on July 2, 2026 and the satisfaction of certain conditions, title to Three UN Plaza will be transferred to UNICEF or the UN without any payment to the Corporation.

The Properties: One, Two and Three UN Plaza

One UN Plaza. One UN Plaza is a 39-story mixed-use office building and hotel constructed by the Corporation and located on East 44th Street in Manhattan, across the street from the UN headquarters. One UN Plaza opened in 1975 and includes approximately 420,000 rentable square feet of office space, along with approximately 210,000 square feet of hotel space, and separate ground floor lobby areas for the office and for the hotel.

One UN Plaza/Three UN Plaza City Lease. The Corporation had initially acquired a fee interest in One UN Plaza but later transferred its fee interest to the City and leased it back for a term of up to 99 years pursuant to a certain lease between the City and the Corporation, dated as of August 1, 1972, as amended (the "One UN Plaza/Three UN Plaza City Lease").

The Condominium Declaration. One UN Plaza is separated into two condominium units pursuant to a Declaration of Condominium, dated June 5, 1997, as amended (the "Condominium Declaration"), with the hotel portion constituting one condominium unit (the "Hotel Unit"), and the balance of the building (except for common areas) constituting the other condominium unit (the "Office Unit"). The Hotel Unit includes a 36% undivided interest in the building's common elements, as defined in the Condominium Declaration (the "Common Elements"). The Office Unit includes a 64% undivided interest in the building's Common Elements.

In 1997 the Corporation sold the Hotel Unit to its current owner, RHM-88, LLC, which is affiliated with Millennium & Copthorne Hotels, a wholly-owned subsidiary of City Developments Limited of Singapore (the "Hotel Operator"). Neither the owner of the Hotel Unit nor the Hotel Operator are affiliated with the Corporation.

The Condominium Declaration provides that the condominium is governed by a Board of Managers consisting of three persons, one selected by the owner of the Hotel Unit and two selected by the owner of the Office Unit. The City, which owns the Office Unit and leases it to

the Corporation under the One UN Plaza/Three UN Plaza City Lease, has irrevocably designated the Corporation as the City's attorney-in-fact to select the two members of the Board of Managers selected by the Office Unit.

Under the Condominium Declaration, the Condominium Board of Managers is responsible for providing essential building services at One UN Plaza and is responsible for the day-to-day operation and maintenance of all Common Elements. Each unit owner is responsible for paying common charges to the Condominium's Board of Managers, which sets the budget and the common charge amounts for the condominium. Allocation of the condominium's expenses between the Hotel Unit and the Office Unit is based on various criteria, depending upon the nature of the specific expense. These criteria include the square footage and hours of operation of the Hotel Unit and Office Unit, as well as other relevant factors. See "THE UNDC PROPERTIES — The Hotel."

The obligations of the two unit owners to pay common charges are secured by a lien on their respective units in favor of the Condominium Board of Managers. The Condominium Board of Manager's lien is not subordinate to the lien of mortgages on condominium units and will not be subordinate to the Corporation's obligation to pay debt service on the 2025 Bonds. A failure to pay common charges can result in the foreclosure of the Condominium Board of Manager's lien and could extinguish or impair the Corporation's interest in the Office Unit. The Condominium Declaration gives certain holders of a mortgage on a condominium unit (a "Registered Mortgagee") the right to receive notices of defaults under the Condominium Declaration by the owner of the mortgaged unit and the right to step in and cure such defaults. The Trustee will be a Registered Mortgagee and will have the right to cure defaults by the Corporation if directed to do so in accordance with the Indenture. See "SUMMARY OF CERTAIN PROVISIONS OF THE ONE UN PLAZA CONDOMINIUM DECLARATION" in **APPENDIX F** hereto. The Hotel Unit is not subject to the Leasehold Mortgages or the Assignment of Leases and Rents.

Tenants. The principal current tenants of the Office Unit at One UN Plaza include UNDP and certain other UN-related entities as the UN's subtenants, and permanent missions to the UN, each of which has a long history of occupancy at One UN Plaza. All of the existing missions and UN-related entities are expected to remain in the building with the exception of the UN. Instead of UNDP and UN-related entities continuing to sublease from the UN, they will enter into direct leases with the Corporation. In addition, approximately 81,852 rentable square feet ("Swing Space") in One UN Plaza will be temporarily utilized by UNDP while its space is being renovated pursuant to a swing space license agreement. Upon the expiration of the swing space license agreement in 2028, and subject to certain option and right of first refusal rights held by the UN and UNDP, the Swing Space will be offered for lease to missions, agencies and affiliates of the UN. See "SELECTED FINANCIAL DATA AND MANAGEMENT'S DISCUSSION – Principal Budget and Pro Forma Assumptions." See also "THE NEW LEASES – The New UN/UNDP Leases" herein for a description of the New One UN Plaza UNDP Lease and the new lease tenants.

Two UN Plaza. Two UN Plaza is a 40-story mixed-use office building and hotel constructed and operated by the Corporation that is located west of and adjacent to One UN Plaza on 44th Street and extends north to 45th Street. Two UN Plaza opened in 1983 and includes approximately 455,000 rentable square feet of office and approximately 130,000 square feet of hotel space. Two UN Plaza also has separate ground floor lobbies for the office and hotel components, and approximately 10,000 square feet of storage space used by the UN. Approximately 6,100 square feet on the 27th floor is occupied by the Corporation as its administrative offices.

Two UN Plaza Ground Lease. The Corporation holds a ground lessee's interest in the land portion of Two UN Plaza under a ground lease (the "Two UN Plaza Ground Lease") with Bishop Trading Company, a privately-owned entity. The 99-year term of the Two UN Plaza Ground Lease expires on July 31, 2079, subject to an option by the Corporation to purchase the underlying fee interest that it may exercise until July 31, 2025. The Corporation does not currently intend to exercise such option. Pursuant to the Two UN Plaza Ground Lease the Corporation has a fee interest in the building at Two UN Plaza. The Corporation pays fixed net rent of \$250,000 per annum to the ground lessor, subject to increases beginning on August 1, 2025 and every fifth year thereafter, calculated based on the increase in the Consumer Price Index issued by the Bureau of Labor Statistics over such index as of February 1, 2014. The Corporation currently projects that as of August 1, 2025, its new rent under the Two UN Plaza Ground Lease will be approximately \$340,000. In addition to rent and operating expenses, under the Two UN Plaza Ground Lease, the Corporation is responsible for real estate taxes on the Two UN Plaza site. The Corporation's responsibility for rent and taxes is not subordinate to debt service on the 2025 Bonds and failure to pay such taxes or a default under the Two UN Plaza Ground Lease could, unless cured by the Trustee, result in termination of the Two UN Plaza Ground Lease and loss of the Corporation's interest in Two UN Plaza. Under the terms of the Two UN Plaza Ground Lease the Trustee will be a "leasehold mortgagee" and will be entitled to notices of, and an opportunity to cure, defaults by the Corporation. See "SUMMARY OF CERTAIN PROVISIONS OF THE TWO UN PLAZA GROUND LEASE" in **APPENDIX F** hereto.

Two UN Plaza City Lease. In 1981 the Corporation transferred its fee title to the Two UN Plaza building to the City and leased it back for a term of 99 years under a lease dated as of May 8, 1981, as amended (the "Two UN Plaza City Lease").

Hotel Sublease. In 1997 the Corporation subleased the Hotel Subleased Premises (as hereafter defined) to the Hotel Operator in consideration for a lump-sum prepayment of rent. As described in more detail below, the hotel space is currently operated by the Hotel Operator as subtenant under the sublease. See "THE UNDC PROPERTIES — The Hotel."

The Corporation is responsible for the operation and maintenance of Two UN Plaza, other than the hotel space and hotel lobby areas.

Tenants. The current office tenants of Two UN Plaza include the UN, permanent missions to the UN and other UN-related entities. It is expected that nearly all of the existing missions and other UN-related entities in current occupancy will renew their leases. See "THE NEW LEASES — The New UN/UNDP Leases" herein for a description of the New Two UN Plaza UNDP Lease and the new lease tenants.

Three UN Plaza. Three UN Plaza, which opened in 1987, is a 15-story office building developed by the Corporation that is located on the south side of East 44th Street between First and Second Avenues, across from One and Two UN Plaza. The Corporation is responsible for the operation and maintenance of Three UN Plaza. All portions of Three UN Plaza are leased to UNICEF as its world headquarters pursuant to the Three UN Plaza UNICEF Lease.

One UN Plaza/Three UN Plaza City Lease. The Corporation had initially acquired a fee interest in Three UN Plaza but later transferred its fee interest to the City and leased it back for a term of up to 99 years pursuant to the One UN Plaza/Three UN Plaza City Lease.

Transfer to UNICEF. The Corporation and the City have agreed that upon the expiration of the Three UN Plaza UNICEF Lease in 2026, and subject to certain conditions being met, including compliance by UNICEF with its obligations under the Three UN Plaza UNICEF Lease

and maintenance of UNICEF's world headquarters in the City, UNICEF or the UN will obtain ownership of Three UN Plaza, without payment to the Corporation by UNICEF for the transfer.

Three UN Plaza is not subject to the Leasehold Mortgages. Following its transfer to UNICEF or the UN at the expiration of the Three UN Plaza UNICEF Lease, Revenues will no longer include amounts derived from or relating to Three UN Plaza and the Corporation will no longer be responsible for its operation and maintenance.

The City Leases

Under the One UN Plaza/Three UN Plaza City Lease and the Two UN Plaza City Lease (collectively, the "City Leases") the Corporation is required to pay the City rent calculated as provided in the City Leases (referred to herein under "Selected Financial Data and Management's Discussion" as "Base Rent to the City") and additional rent equal to 90% of the revenues in excess of funds required by the Corporation to pay or provide for payment of its operating and other expenses, including such reserves as it determines to be necessary. The Corporation's obligation to pay rent to the City is subordinate to compliance with the requirements of the Indenture. The City may not terminate the City Leases unless it pays to the Corporation an amount sufficient to provide for the payment of outstanding bonds of the Corporation, including any redemption premium. See "SUMMARY OF CERTAIN PROVISIONS OF THE TWO UN PLAZA CITY LEASE" in **APPENDIX F**.

The Primary Tenants

The following description of the UN, UNDP and UNICEF has been compiled from certain publicly available documents of the UN, UNDP and UNICEF, including the websites referred to below. The following information does not, nor is it intended to, provide a comprehensive description of the UN, UNDP or UNICEF, the operations, legal or political environment of such entities, or the financial performance or capability of such entities. Further, neither the Corporation nor the Underwriters have reviewed or independently verified any such information or any information on the websites referred to below and cannot and do not warrant the accuracy or completeness of any such information or any such information contained or linked on the websites referred to below. Prospective investors in the 2025 Bonds should conduct their own independent investigations of the UN, UNDP and UNICEF to determine if an investment in the 2025 Bonds is consistent with their investment objectives.

The current primary occupants of the UNDC Properties are the UN, UNDP and UNICEF.

The United Nations. According to its website:

"The United Nations is an international organization founded in 1945. Currently made up of 193 Member States, the UN and its work are guided by the purposes and principles contained in its founding Charter. The UN has evolved over the years to keep pace with a rapidly changing world. But one thing has stayed the same: it remains the one place on Earth where all the world's nations can gather together, discuss common problems, and find shared solutions that benefit all of humanity."

The United Nations Development Programme. According to its website:

"UNDP is based on the merging of the United Nations Expanded Programme of Technical Assistance, created in 1949, and the United Nations Special Fund, established in 1958. UNDP, as we know it now, was established in 1966 by the General Assembly of the United Nations."

“UNDP’s mandate is to end poverty, build democratic governance, rule of law, and inclusive institutions. [UNDP] advocate[s] for change, and connect countries to knowledge, experience and resources to help people build a better life. As the lead United Nations agency on international development, [UNDP] work[s] in 170 countries and territories to eradicate poverty and reduce inequality.”

“[UNDP] helps countries develop policies, leadership skills, partnerships and institutional capabilities to achieve the Sustainable Development Goals. [UNDP’s] work is centered around six core development areas, known as our signature solutions: poverty and inequality, governance, resilience, environment, energy and gender equality.”

The United Nations Children’s Fund. According to its website:

“UNICEF, the United Nations agency for children, works to protect the rights of every child, especially the most disadvantaged and those hardest to reach. Across more than 190 countries and territories, we do whatever it takes to help children survive, thrive and fulfil their potential. We provide and advocate for education, health and nutrition services. Protect children from violence and abuse. Bring clean water and sanitation to those in need. And keep them safe from climate change and disease. The world’s largest provider of vaccines, UNICEF also runs the world’s largest humanitarian warehouse. Before, during and after emergencies, we’re on the ground with life-saving help and hope.”

Information Regarding the UN, UNDP and UNICEF. Neither the Corporation nor the underwriters make any representation as to the financial strength or creditworthiness of the UN, UNDP or UNICEF. The Corporation has been advised that (i) publicly available financial and other information relating to the UN may be found at <https://www.un.org/en/>, (ii) publicly available financial and other information relating to UNDP may be found at <https://www.undp.org/> and (iii) publicly available financial and other information relating to UNICEF may be found at <https://www.unicef.org>. Reference to such websites is presented herein for informational purposes only and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

UN Has Historically Exercised Its Renewal Options and Rented Additional Space

Since their construction the office portions of the UNDC Properties have provided a campus-like environment for the UN and members of the UN Community. Since initial occupancy of One UN Plaza in 1975 and Two UN Plaza in 1983, the UN has preserved that campus environment by exercising all available renewal and extension options under prior leases. In addition, whenever any space leased to a foreign mission in One UN Plaza or Two UN Plaza has become vacant, the Corporation has offered the space to the UN, which has then generally leased the space on terms consistent with market rental rates at the time.

The Hotel

The Hotel Unit of One UN Plaza and the Hotel Subleased Premises (as defined below) in Two UN Plaza are connected by a lobby and are operated as the Hotel by the Hotel Operator. Since 2017 the Hotel has been managed by Hilton Hotels & Resorts as the Millennium Hilton New York One UN Plaza Hotel. The hotel portion of Two UN Plaza (the “Hotel Subleased Premises”) is currently operated by the Hotel Operator as subtenant under a sublease from the Corporation (the “Hotel Sublease”) that expires on July 30, 2079. The Corporation received a lump-sum prepayment of rent in 1997 for the term of the

Hotel Sublease. Substantially all of the proceeds of the sale of the Hotel Unit and the lump sum payment of rent under the Hotel Sublease were paid to the City.

As described above, under the Condominium Declaration the Condominium Board of Managers is responsible for operating and maintaining the Common Elements and providing essential building services at One UN Plaza. The Hotel Operator is required to maintain the Hotel Unit, among other obligations concerning the Hotel Unit, and is responsible for all expenses at One UN Plaza that are allocable to the Hotel Unit, based on various criteria, depending upon the nature of the specific expense. These criteria include the square footage and hours of operation of the Office Unit and the Hotel Unit portions of One UN Plaza and other relevant factors. See “SUMMARY OF CERTAIN PROVISIONS OF THE CONDOMINIUM DECLARATION” in APPENDIX F hereto.

At Two UN Plaza, under the Hotel Sublease, the Corporation as landlord is required to provide essential building services and to operate and maintain all common areas. The operating expenses for providing these services are allocated pursuant to the Hotel Sublease between the Corporation and the Hotel Operator based on various criteria, depending upon the nature of the specific expense. These criteria include the square footage and hours of operation of the non-hotel and the hotel portions of Two UN Plaza and other relevant factors. In 2024, expenses allocated to the hotel space equaled \$4,180,324 and primarily consisted of expenses related to the Corporation’s rent payments to the City, building maintenance personnel, steam, the Corporation’s payment of real estate taxes, and contract security personnel. Under the Hotel Sublease the Corporation is obligated to deliver to the Hotel Operator an attornment agreement with the Trustee under which the Trustee will recognize the Hotel Sublease in the event of any foreclosure of the Corporation’s interests in Two UN Plaza. See “SUMMARY OF CERTAIN PROVISIONS OF THE HOTEL SUBLEASE” in **APPENDIX F** hereto.

THE PROJECT

Project Overview

A portion of the proceeds of the 2025 Bonds, together with other available cash reserves of the Corporation and surplus cash flow revenues will be used to finance certain building-wide renovations and capital improvements to the common areas in One UN Plaza and Two UN Plaza as well as improvements to the space in One UN Plaza and Two UN Plaza that is being leased to the UN and UNDP pursuant to the New UN/UNDP Leases, to finance certain tenant incentives relating thereto, and to fund tenant improvement allowances that the UN and UNDP will use to partially fund the full renovation of their premises under the New UN/UNDP Leases (collectively, the “Project”). More specifically, the Project will consist of improvements to update building systems, comply with the State’s BuildSmart 2025 (“BuildSmart 2025”)¹ program to improve energy efficiency, updates to meet current fire safety and disability codes and regulations, renovations to entryways and common areas, and the provision of indoor bicycle parking.

The total construction costs of the Project include hard costs of approximately \$182 million and soft costs of approximately \$36 million. Soft costs include architectural and engineering expenses,

¹ BuildSmart 2025 is a continuation of the original BuildSmart NY program with changes to address new state energy savings targets and an expanded scope of buildings and State Entities required to comply with the targets. BuildSmart 2025 has a target of 11 trillion British thermal units (TBtu) of building site energy savings by December 31, 2025 with a base year of SFY 2014-2015. BuildSmart 2025 has been established as a tool to assist state entities meet requirements established by the Climate Leadership and Community Protection Act (CLCPA), A.8429/S.6599. Specifically, Section 7.1 of the CLCPA requires that “all state agencies shall assess and implement strategies to reduce their greenhouse gas emissions.”

consultants, leasing costs, project management expenses, and costs of issuance. Project costs also include tenant incentives of approximately \$166 million, which include both an allowance for tenant improvements in their respective leased spaces and a free rent credit.

The Corporation has already spent approximately \$23 million on Project-related expenses, including construction management, consultants, demolition and site preparation or “make ready work”, other soft costs, and advances of certain tenant incentives. On the Closing Date the Corporation expects to make approximately \$94 million of additional Corporation funds available for the funding of Project costs. The Corporation expects to establish a Project reserve of approximately \$62 million in its general fund for the costs of future leasing and as additional reserves for Project costs and general fund surplus. Approximately \$31 million of the Corporation’s Project reserve is expected to be retained upon the issuance of the 2025 Bonds, with the remaining approximately \$31 million projected expected to be funded through allocated annual surpluses during the construction period. Of the \$31 million reserves expected to be retained at Closing, approximately \$13.5 million will be held as a construction contingency. An additional \$3.5 million is expected to be held as a soft cost contingency as part of the soft costs deposited with the Trustee on the Closing Date pursuant to the Indenture.

The Corporation anticipates that the Project will be substantially completed by early 2030. The UNDC Properties will be continuously occupied during the renovation period and scheduled rent payments will continue in accordance with the terms of each lease in effect during the renovations.

The Project will allow the Corporation to retain the UN and UNDP as tenants and maintain a campus environment for three major components of the UN, consisting of the UN Secretariat, UNDP and UNICEF. For a more detailed description of the Project, see “The Renovation Plan for One UN Plaza and Two UN Plaza” below and the “CONSTRUCTION AND PROPERTY CONDITION REPORT” in **APPENDIX K** hereto.

The Renovation Plan for One UN Plaza and Two UN Plaza

The Project will include multiple components consisting of certain base building improvements at One UN Plaza and Two UN Plaza. One UN Plaza and Two UN Plaza will be occupied during construction, including by the UN, UNDP, and other tenants, and the Hotel will operate throughout the Project. Various office floors will, simultaneously with the Corporation’s work, have active tenant improvement work underway managed by the UN and UNDP as provided in the New UN/UNDP Leases.

The primary components of the Project include:

- (a) renovation of the existing One UN Plaza main lobby and design and construction of a signature lobby from former retail space for use by UNDP;
- (b) installation of a new digital Building Management System (BMS) providing better and more efficient control of major building systems;
- (c) BuildSmart 2025 projects to upgrade or replace mechanical, electrical and plumbing systems; including 12-14 capital projects per building;
- (d) demolition and abatement of non-friable asbestos in certain areas;
- (e) installation of a new emergency power supply plant — 750 kW DEG plant at One UN Plaza;
- (f) upgrade electrical closets and sprinkler systems at both buildings;

- (g) delivery to each building's respective tenants of whitebox condition (ready for tenant improvements) of 15 floors (floors 9, 10, and 12 through 24) in One UN Plaza and all floors occupied by the UN in Two UN Plaza;
- (h) demolition of core bathrooms on all UNDP floors in One UN Plaza in preparation of tenant-specific renovations; and
- (i) a new indoor bicycle parking area with space for 150 bikes, serving both One UN Plaza and Two UN Plaza.

The Project will be required to comply with New York State Executive Order 22 issued on September 20, 2022 which established mandated energy improvements under BuildSmart 2025, and such other sustainability requirements identified by the Corporation. The Project includes certain diversity and participation requirements for State-certified minority- and women-owned business enterprises (MWBs) and service-disabled veteran-owned businesses (SDVOBs).

Construction Management; Guaranteed Maximum Price

The Corporation has engaged Turner Construction Company ("Turner") under an agreement for construction management services pursuant to which Turner has agreed to a guaranteed maximum price. To the extent that portions of the Project involve Common Elements at One UN Plaza, the Condominium Board has entered into a parallel contract with Turner for such work. Both contracts will be administered by the Corporation and its consultants.

Turner has been providing preconstruction services for the Project since March 2023. Such services include planning, budgeting, scheduling, and construction documentation. During the preconstruction period, the Corporation, Turner and the design team fully documented the scope of the project, modeled existing pre-conditions and prepared detailed logistics plans for constructing the work in fully occupied buildings. The project team includes the Cushman & Wakefield Project Services Group, Cosentini Associates (Mechanical, Electrical, and Plumbing engineers), and Spacesmith (Architect of record).

Turner has delivered to the Corporation and the Condominium Board a guaranteed maximum price ("GMP") for the entire Project of \$181,354,229, which is based on a complete set of construction drawings and the associated qualifications and exclusions therein. Subject to certain exceptions summarized below, Turner will be responsible for construction costs for the Project that exceed the GMP. Turner has also agreed to pay liquidated damages if it fails to timely achieve certain Project milestones.

Exceptions to the GMP that would allow Turner to charge the Corporation or the Condominium Board, as applicable, for additional Project costs include the following: owner-initiated Project changes, design changes outside of the original scope, unforeseen site/field conditions that could not have been anticipated by Turner, changes in law, including tariffs, and other force majeure events. See "CERTAIN RISK FACTORS – *The Guaranteed Maximum Price is Subject to Certain Limitations.*"

Construction Manager - Turner Construction Company

Turner, headquartered in Manhattan, is the largest general contractor in the United States by volume. Incorporated in 1902 in the State of New York, with a global workforce exceeding 10,000 employees, Turner operates 46 offices nationwide including 897 dedicated individuals in the New York group. Turner is consistently named the top contractor in the United States by Engineering News-Record. Turner Interiors, the division of Turner engaged for the Project, is a leading contractor specializing in commercial build-outs and infrastructure upgrades for both private and public Fortune 500 Companies.

Turner Interiors is comprised of 200 professionals and completes in excess of \$610 million of construction volume annually.

Turner has completed many significant office tower repositioning projects throughout the City, including the repositioning of PENN 1, a 2,000,000 sq. ft. 58-story commercial office tower located by Pennsylvania Station, 601 Lexington Avenue (the former Citigroup Center), and Citigroup's 2,100,000 sq. ft. Manhattan headquarters at 388 Greenwich Street.

Project Manager - Cushman and Wakefield, Project Development Services

Cushman & Wakefield, Inc. ("C&W") is a global commercial real estate services firm servicing property owners and occupiers with 52,000 employees in 400 offices and 60 countries. C&W's core services include property, facilities and project management, leasing, capital markets, and valuation and other related real estate services.

C&W Project Development Services ("C&W-PDS") is serving as an extension of the Corporation's management team assisting in the strategy, planning, construction progress tracking, monthly construction cost reporting, resource allocation and risk management of the Project. C&W-PDS completes approximately 150 projects per year in the New York market with over \$3 billion in project volume.

Bondholder Representative – Trimont

Pursuant to the Indenture, the Corporation has appointed a bondholder representative in connection with the Project ("Bondholder Representative"). The Bondholder Representative's initial responsibilities are to monitor the Project but do not involve providing recommendations or reports. If an Event of Default occurs prior to completion of the Project, and upon the satisfaction of certain notice requirements, the Bondholder Representative will direct the Trustee to disburse funds for the costs of the Project to the extent funds for such costs remain under the Indenture.

PK Harris Advisors, LLC, a Delaware limited liability company, will serve as the initial Bondholder Representative. PK Harris Advisors, LLC and its affiliate Trimont LLC have been providing noteholder and bondholder representation services since 2004, and are members of the Trimont group of companies (collectively, "Trimont").

Trimont has specialized in providing servicing and asset management of performing and non-performing credit on behalf of investors and commercial real estate lenders since 1988. Trimont's services include asset management, servicing, due diligence, bondholder representation and advisory services. Trimont has experience managing a diverse and complex portfolio of assets, including bond issues, securitized debt, senior debt, mezzanine debt, equity transactions and REO assets.

Trimont LLC is rated (ranked) by Fitch, S&P and Morningstar DBRS as a master servicer, a primary servicer and a special servicer of commercial mortgage loans in the United States.

Jones Lang LaSalle Americas, Inc. Report

The Corporation has engaged Jones Lang LaSalle Americas, Inc. ("JLL") to provide third party due diligence on the Project including the production of a report entitled "Review Report of Plans, Specifications, and Construction-Related Documents for One and Two United Nations Plaza" attached in **APPENDIX K** ("Construction and Property Condition Report"). The Construction and Property Condition Report evaluates the completeness of plans and specifications, the level of quality of the proposed new systems and materials, the reasonableness of the anticipated date of completion, and the reasonableness of the Project budget. Reliance on the Construction and Property Condition Report is

limited as set forth in such report which provides that “[s]hould the report be used in connection with a sales transaction, parties to such a transaction, other than our client [the Corporation] who this report is addressed to, are not entitled to rely upon the information contained within the report, except as a preliminary source of data. Such parties are responsible for their own independent professional due diligence.”

In addition to its assessment of the current building conditions, JLL will monitor the progress of Project construction for the Corporation along with C&W-PDS.

Improvements Related to the Hotel

The Corporation currently anticipates that the Project will include improvements for the benefit of the Hotel Unit and the Hotel Subleased Premises. The Corporation estimates that approximately \$24 million of the Project costs are allocable to the Hotel Unit and the Hotel Subleased Premises. The Hotel Operator has advised the Board of Managers that it does not approve the entire scope of work or total Condominium capital budget associated with the Project. The Corporation and the Condominium Board have been in discussions with the Hotel Operator regarding their disagreements. The Corporation and the Condominium Board expect to continue such discussions. The Corporation believes the Hotel Operator’s participation in the costs of the Project is not necessary for the Corporation to be able to complete the Project. Any reimbursements and payments received by the Condominium and the Corporation from the Hotel Operator as a part of the Hotel Operator’s payment for its allocated costs of the Project will be paid to the Corporation to the extent the Corporation has covered such costs.

Improvements to Benefit the Hotel Unit at One UN Plaza. The improvements benefitting the Hotel Unit as part of the Project include, without limitation, replacement of critical building systems, such as chillers and the cooling tower, that are materially past the end of their useful lives, improvements to enhance energy efficiencies mandated under BuildSmart 2025, updates to life, health and safety systems to conform to current fire safety and disability regulations, and renovations to common areas.

The Condominium Declaration provides the Hotel Operator is responsible for its allocable share of the Project expenses. To date, the Hotel Operator has not approved the budget regarding the proposed capital plan associated with the Project. The Corporation is evaluating alternatives for addressing elements of the disagreement with the Hotel Operator, including possible negotiation, or arbitration and/or court proceedings pursuant to the Condominium Declaration. At this time the Project budget does not include any contribution from the Hotel Operator.

Improvements to the Hotel Subleased Premises at Two UN Plaza. The improvements benefitting the Hotel as part of the Project include without limitation, replacement of critical building systems such as the central HVAC plant, and BMS, fire alarm, façade and Hotel-dedicated systems that are materially past the end of their useful lives, improvements to enhance energy efficiencies mandated under BuildSmart 2025, updates to life, health and safety systems to conform to current fire safety and disability regulations, and renovations to certain common areas.

Pursuant to the Hotel Sublease, the Hotel Operator is also obligated to reimburse the Corporation for certain costs and expenses incurred by the Corporation as sublandlord. The operating and capital expenses are allocated pursuant to the Hotel Sublease based on various criteria, depending upon the nature of the specific expense. The subtenant under the Hotel Sublease has not accepted its reimbursement obligation for its allocated share of any Project expenses under the Hotel Sublease. The Corporation is evaluating alternatives for addressing disagreements with the Hotel Operator regarding its allocable share of Project expenses. See “SUMMARY OF CERTAIN PROVISIONS OF THE HOTEL SUBLEASE” in **APPENDIX F** hereto.

THE NEW LEASES

The New UN/UNDP Leases

The Corporation was notified by the UN in late 2021 that the One UN Plaza lease, expiring on March 31, 2023 and subleased in part to UNDP and other UN organizations, would not be renewed. Instead, the UN advised that it expected to renew its lease at Two UN Plaza and consolidate staff from One UN Plaza and other Manhattan offices into Two UN Plaza. UNDP, a subtenant of the UN at One UN Plaza since 1982, additionally advised that it was considering a lease at One UN Plaza for the space it then occupied, plus additional floors, as UNDP's world headquarters. The Corporation and the UN have extended the term of the One UN Plaza UN Lease for space occupied by UNDP and other UN organizations that were UN subtenants, and the term of the Two UN Plaza UN Lease for all space under lease, in each instance from April 1, 2023 through the date of issuance of the 2025 Bonds, at existing rents and other terms.

In connection with the issuance of the 2025 Bonds, the Corporation has entered into the New UN/UNDP Leases. Each of the New UN/UNDP Leases has a 15-year term expiring in 2040, subject to two 5-year extension rights on the part of the respective tenants. Swing Space in One UN Plaza will be utilized by UNDP during the renovation period and then, subject to certain option rights and rights of first offer held by UNDP and the UN, re-leased to missions, agencies and affiliates of the UN or UNDP. The Corporation expects that 100% of the existing missions and UN organizations that have continuously occupied the building will renew their leases.

Pursuant to the New UN/UNDP Leases, the UN and UNDP will have certain rights to reduce the amount of space that they lease in the future. The UN has a one-time right to surrender (a "shedding right") up to three floors during years 5-8 of the lease. UNDP has a one-time shedding right for up to two floors during years 5-8 of the lease. Both the UN and UNDP have extension rights for two five-year terms upon expiration of their initial 15-year term lease. Both tenants have the right to reduce occupancy ("contraction rights") by up to 25% for the UN and 20% for UNDP on contiguous floors upon renewal at each extension for the then-leased space. Shedding rights, contraction rights and renewal rights are all exercisable by the tenants with two years notice to the Corporation See "SUMMARY OF NEW ONE UN PLAZA UNDP LEASE" in **APPENDIX B** and "SUMMARY OF NEW TWO UN PLAZA UN LEASE" in **APPENDIX C**.

The executed New UN/UNDP Leases will be effective upon the delivery of the 2025 Bonds. At One UN Plaza, approximately 60% of the rentable office space will be leased to UNDP and approximately 10% of the office space will be leased to other UN organizations and missions to the UN. Of the remaining office space at One UN Plaza approximately 82,000 rentable square feet, or 19% of the rentable office space, will initially be used as Swing Space during UNDP's tenant renovations. The Corporation will seek to re-let the Swing Space when it is vacated by UNDP upon completion of renovations to its leased space, which is anticipated to be in 2029. In addition, under the New UN/UNDP Leases UNDP has an option on the Swing Space and the UN has a right of first offer on the Swing Space. At Two UN Plaza, substantially all of the space will be occupied by the UN as has been true since the building opened in 1983.

In re-letting space in One UN Plaza and Two UN Plaza at the end of any lease with the UN, UNDP or missions to the UN, the Corporation may offer to rent the space to the UN, to UN organizations or agencies existing from time to time, including funds, programmes, subsidiary organs and bodies, and specialized agencies of the UN, any permanent mission to the UN, or, subject to certain UN approval rights, to any other commercial entity. Historically, whenever any space leased to a foreign mission in One UN Plaza or Two UN Plaza has become vacant, the Corporation has generally offered the space to

the UN, which has then leased the space on terms consistent with market rental rates at the time. The New UN/UNDP Leases include certain options and rights of first offer as described below under “SELECTED FINANCIAL DATA AND MANAGEMENT’S DISCUSSION.”

The Corporation is responsible for the operation and maintenance of the Office Unit, and upon the effectiveness of the New UN/UNDP Leases will lease the following office, retail and storage space in One UN Plaza to the named tenants below:

One UN Plaza Leases

<u>Tenant</u>	<u>Rentable Square Feet (RSF)</u>	<u>Office Unit Share</u>	<u>Rent (\$) per RSF</u>	<u>Term</u>	<u>Lease Commencement</u>
United Nations Development Programme (UNDP)	253,913	60.18%	51.00	15 years	Upon Closing
UN Permanent Missions & Agencies	44,321	10.50%	58.80 – 60.00	10 years	2023 – Upon Closing
Available for Leasing ¹	122,467	29.02%	TBD	TBD	Pending
Hotel	1,243	0.29%	Various	10 years	2016
Total	421,944	100%	—	—	—

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¹ Includes temporary construction uses (35,078 RSF) and UNDP Swing Space (81,852 RSF) that will be available for leasing upon completion of the Project.

Upon the effectiveness of the New UN/UNDP Leases the Corporation will lease the following office, storage and other space located at Two UN Plaza to the named tenants below:

Two UN Plaza Leases

<u>Tenant</u>	<u>Rentable Square Feet (RSF)</u>	<u>Office and Other Leased Space Share</u>	<u>Rent (\$) per RSF</u>	<u>Term</u>	<u>Lease Commencement</u>
United Nations (Office Premises)	425,190	91.35%	51.00	15 years	Closing Date
United Nations (Storage)	10,180	2.19%	25.50	15 years	Closing Date
UN Permanent Missions & Agencies, and NYC Mayor's Office for International Affairs	23,844	5.12%	60.00	5 – 10 years	2022 – Upon Closing
Available for Leasing	6,233	1.34%	TBD	TBD	TBD
Total	465,447	100%	—	—	—

CITY SUPPORT FOR THE 2025 BONDS

The City, as fee owner of the office portions of the UNDC Properties, has previously provided support for the Corporation's bonds under a backup lease. All of the Corporation's prior bonds will be paid or defeased upon issuance of the 2025 Bonds. See "PLAN OF DEFEASANCE." In connection with the issuance of the 2025 Bonds the existing backup lease will terminate and the Corporation and the City have entered into two new agreements to provide City support for the 2025 Bonds: the City Backup Lease and the City Support Agreement.

The City Backup Lease

Under the City Backup Lease, if the UN or UNDP (i) exercises its respective non-renewal, shedding or contraction rights under the New UN/UNDP Leases or terminates all or a portion of the premises under the New UN/UNDP Leases, which results in the UN or UNDP ceasing to occupy one or more full floors of its leased space, or (ii) fails to exercise as to all available premises any option or right of first offer it has under the New UN/UNDP Leases (a "Non-Expansion Event" and, along with the events described in clause (i), a "Backup Lease Commencement Event") and if at that time the 2025 Bonds have not been paid in full, the City will lease that space for the City's use (or for the use of certain other occupants), subject to the satisfaction of certain notice and other requirements as provided in the City Backup Lease. See "FORM OF CITY BACKUP LEASE" in **APPENDIX D** hereto.

The rent to be paid by the City under the City Backup Lease ("Basic Annual Rent") is an amount equal to (i) for any rental period prior to the expiration or termination of either or both of the New UN/UNDP Leases, as applicable, the product of the amount described in clause (A) of the following sentence and a fraction, the numerator of which is the total number of square feet included in the premises during the applicable rental period pursuant to the City Backup Lease, and the denominator of which is the total number of square feet included in the total UN leased premises and the UNDP leased premises during such applicable rental period, including in each case such portions of the leased premises added

pursuant to any Lessee options or rights of first refusal, and (ii) for any rental period between the day after the expiration or termination of either or both of the New UN/UNDP Leases, the amount described in clause (B) of the following sentence. For purposes of the preceding sentence, the amount described as “clause (A)” in clause (i) above is the sum of the full amounts that the UN and UNDP were obligated to pay as rent (including any additional rent but without reference to any abatement, offset or credit) during the applicable rental period for the leased premises, and the amount described as “clause (B)” is the sum of the full amounts that the UN and UNDP were obligated to pay as rent (including any additional rent but without reference to any abatement, offset or credit) in respect of the leased premises for the twelve months immediately prior to the expiration or termination of one or both of the New UN/UNDP Leases, subject to certain credits to the City for amounts received by the Corporation.

Basic Annual Rent is payable directly to the Trustee in accordance with the City Backup Lease; provided, however, no City rental payment will occur until an appropriation for such payments for such fiscal year shall have been made by the City.

The City Backup Lease provides for the creation of a City Backup Lease Rental Reserve Fund which may be funded, in the City’s discretion, in the future from funds that would otherwise be payable by the Corporation to the City as additional rent under the City Leases. The City Backup Lease Rental Reserve Fund is not pledged as security for the 2025 Bonds and the funds therein may be applied to the City’s rental obligation or withdrawn by the City in its discretion. Application of funds in the City Backup Lease Rental Reserve Fund toward the City’s rent obligation under the City Backup Lease does not require an appropriation by the City.

The term of the City Backup Lease for any portion of the leased space at One UN Plaza and/or Two UN Plaza, commences upon the occurrence of a Backup Lease Commencement Event; provided in each case the following requirements of the City Backup Lease have been met (or are otherwise waived by the City): (i) the Corporation has provided notice to the City within thirty (30) days of the Corporation’s determination that a Non-Expansion Event has occurred and/or of receipt of notice from either the UN or UNDP of a Backup Lease Commencement Event, setting forth: (A) the nature of the Backup Lease Commencement Event, (B) the estimated number of square feet and the specific floors included in such portion of the leased premises to be leased to the City, and (C) the impact of the Backup Lease Commencement Event on Corporation’s projected cash flow over the following five (5) years, (ii) the Corporation has provided the City with its rolling 5-year financial projections on each January 1, April 1, July 1 and October 1 following such notice; and (iii) the Corporation has requested rent payments from the City on or before December 15th of the year prior to the adoption of the City Budget for the City fiscal year in which the Corporation is projected to need an appropriation. For example, if an appropriation for City rental payments is needed in fiscal year 2032, the payment request date is no later than December 15, 2030. In addition, the Corporation will provide the City with a final notice of the City Backup Lease commencement date not less than sixty (60) days prior to such date with respect to a non-renewal, shedding or contraction rights event, and as soon as practicable, but in no case less than ten (10) days, prior to such date relating to termination event or a Non-Expansion Event, setting forth, among other items, the first City rental payment date and the estimated amount of rent then due and payable. The New UN/UNDP Leases require the UN and UNDP to provide the Corporation with notice of the exercise of their respective non-renewal, shedding or contraction rights two (2) years prior to the effective date of their exercise of such rights. See **APPENDIX B** — “SUMMARY OF NEW ONE UN PLAZA UNDP LEASE” and **APPENDIX C** — “SUMMARY OF NEW TWO UN PLAZA UN LEASE.”

The City Backup Lease terminates and expires on the earliest of the following dates: (i) the date on which the Corporation’s entire interest in the leased space at One UN Plaza and/or Two UN Plaza is transferred for value; (ii) the date on which the 2025 Bonds (including any refinancing bonds) are no

longer outstanding; and (iii) the date on which the City Backup Lease is terminated by the Corporation pursuant to the provisions of the City Backup Lease or pursuant to law.

The City's obligations under the City Backup Lease are subject to and dependent upon an annual appropriation by the City Council and the availability of funds for the City's payment of rent to the Corporation. The City is not legally obligated to make any such appropriation; however, if the City appropriates funds and the appropriation has not lapsed or been repealed, the City's obligations will be enforceable up to the amount appropriated and available therefor. The obligations of the City under the City Backup Lease do not constitute obligations for which the City has levied or pledged any form of taxation, or debts of the City for the purposes of any statutory or constitutional limitation, or pledges of the faith and credit of the City.

City Support Agreement

Under the City Support Agreement, if the Corporation projects that at any time within 18 months after the occurrence of an event or circumstance that causes or is projected by the Corporation to cause Revenues to be insufficient to make the transfers to the Debt Service Fund required by the Indenture (each, a "Support Event"), taking into consideration amounts payable under the City Backup Lease for which timely appropriations by the City have been made or are anticipated to be made, then the Corporation will, no more than five (5) business days after making such projection, notify the City of the same (a "Deficiency Notice") and request the Mayor to seek an appropriation from the City Council in an amount sufficient to cover any such insufficiency, including but not limited to reimbursements for withdrawals from the Liquidity Reserve Fund necessary to pay debt service on the Bonds pending receipt of City Support Payments due from the City under the City Support Agreement and projected to be required in the aggregate to (i) cover any such insufficiency by means of direct transfer to the Trustee for deposit into the Debt Service Fund, and (ii) to the extent not previously provided for by the City, replenish the Liquidity Reserve Fund for the total of all monies, if any, drawn or expected to be drawn from the Liquidity Reserve Fund for transfers to the Debt Service Fund to the date such City appropriation is projected to be paid to the Corporation. See **APPENDIX E – "FORM OF CITY SUPPORT AGREEMENT."**

If the Deficiency Notice is delivered to the City on or before December 15th of any fiscal year, the Mayor shall seek an appropriation for the City's fiscal year beginning on the immediately following July 1st for an amount sufficient to make City Support Payments in the amount required up to and including the immediately following August 1st.

If the Deficiency Notice is delivered to the City after December 15th in any fiscal year, the Mayor shall seek an appropriation for the City's fiscal year beginning no later than the second July 1st thereafter for an amount sufficient to make City Support Payments in the amount required up to and including the August 1st after such date of appropriation.

Promptly following the appropriation (and availability) of funds therefor, City Support Payments shall be made directly to the Trustee for deposit to (i) the Debt Service Fund to cure any deficiency therein, and (ii) to the Liquidity Reserve Fund to reimburse any required transfer of monies from the Liquidity Reserve Fund to the Debt Service Fund not previously reimbursed by the City. Until the City has been notified by the Corporation that the Support Event is no longer occurring, the Corporation shall, not later than fifteen days prior each interest payment date or principal installment date, cause the Trustee to send a final payment notice ("Payment Notice") to the City setting forth the amount by which the debt service payment required on such date exceeds the amount available for the payment thereof, which Payment Notice may from time to time be amended by the Corporation. The City shall, not later than the

four Business Days immediately preceding an interest payment date or principal installment date, pay the City Support Payment equal to the amount set forth in the Payment Notice.

City Support Payments may be funded at the City's option from the City Backup Lease Rental Reserve Fund or from additional rent payable by the Corporation to the City under the Two UN Plaza City Lease.

The obligation of the City to pay the amounts due under the City Support Agreement is not subject to any rights of setoff, recoupment or counterclaim the City might have against the Corporation, the UN, UNDP, or any other person.

All obligations of the City to make City Support Payments are subject to and dependent upon funds being appropriated by and available to the City for such purpose. The City is not legally obligated to make any such appropriation; however, if the City appropriates funds and the appropriation has not lapsed or been repealed, the City's obligations will be enforceable up to the amount appropriated and available therefor. The obligations of the City under the City Backup Lease do not constitute obligations for which the City has levied or pledged any form of taxation, or debts of the City for the purposes of any statutory or constitutional limitation, or pledges of the faith and credit of the City.

Information Regarding the City

For information pertaining to the City see **APPENDIX L -- "INFORMATION CONCERNING THE CITY OF NEW YORK."**

PLAN OF DEFEASANCE

The Defeased Bonds will be defeased with monies provided by the Corporation from its existing funds. Such monies will either be used to purchase direct obligations of, or obligations guaranteed by, the United States of America (the "Government Obligations") or held in cash and will be deposited in separate escrow funds (the "Escrow Funds") established with The Bank of New York Mellon, as escrow agent (the "Escrow Agent"). At or prior to the making of such deposits, the Corporation will have provided the Escrow Agent with irrevocable instructions to (i) give notice of the defeasance of the Defeased Bonds, if required, and (ii) apply the maturing principal of and interest on the Government Obligations, together with any uninvested cash held in escrow, to the payment of the principal and interest coming due on the applicable Defeased Bonds.

Upon the deposit of the Corporation's funds in the Escrow Funds and the satisfaction of the applicable provisions of the respective indentures or resolutions securing the Defeased Bonds, the Defeased Bonds will no longer be outstanding under such indentures or resolutions.

Samuel Klein and Company, Certified Public Accountants, upon the issuance of the 2025 Bonds, shall issue a report indicating that it has verified the arithmetic accuracy of the mathematical computations of the adequacy of the cash and the maturing principal amounts of, and the interest on, the Government Obligations to pay, when due, the principal of and interest on the Defeased Bonds.

SOURCES AND USES OF FUNDS

The projected sources and uses of funds are as follows:

Projected Sources and Uses	Total Cost
<u>SOURCES OF FUNDS</u>	
2025 Bond Par Amount	\$365,000,000
Corporation Equity Contribution ⁽¹⁾	\$178,917,313
Total Sources Of Funds	\$543,917,313
<u>USES OF FUNDS</u>	
Project Costs ⁽²⁾	\$379,006,675
Deposits to Indenture Reserves	
Renewal and Replacement Fund	\$6,000,000
Liquidity Reserve Fund	\$61,911,376
Project Contingency Fund ⁽³⁾	<u>\$14,400,000</u>
Total Deposits to Indenture Reserves	\$82,311,376
Deposits to Defeasance Escrows	\$15,693,263
Costs of Issuance	\$1,931,500
Underwriters' Discount	\$3,198,877
Total Fund Deposits	\$482,141,691
Corporation Reserves⁽⁴⁾	\$61,775,622
Total Uses of Funds	\$543,917,313

Notes

- (1) Includes Corporation funds spent prior to the issuance of the 2025 Bonds and projected interest earnings of \$34,956,503 during the five-year construction period, assuming an average investment rate of 3.72%.
- (2) Includes deposits to the Project Fund in the Indenture and Project costs incurred prior to the Closing Date.
- (3) Held by the Trustee but not pledged to payment of the 2025 Bonds.
- (4) Includes monies not pledged to payment of the 2025 Bonds and held by the Corporation for contingencies and future leasing.

SELECTED FINANCIAL DATA AND MANAGEMENT'S DISCUSSION

The Corporation's audited financial statements for the years ended December 31, 2024 and 2023 are included in **APPENDIX G** hereto. See "INDEPENDENT AUDITORS" herein.

Pro Forma Cash Flow Projections and Management's Discussion

Set forth in Schedule 2 are the Corporation's projected cash flows for the years 2025 through 2055 on a bond year basis. The amounts included in these cash flows are based upon various assumptions, including the continuing payment of rent by the Corporation's tenants, including the tenants under the New UN/UNDP Leases, at One UN Plaza, Two UN Plaza and, prior to its transfer by the Corporation to UNICEF or the UN, Three UN Plaza under the terms of current leases, and projected rates of increase in operating expenses which vary according to category of expense. The cash flow projections are forward looking statements that are predicated upon such assumptions. Neither the Corporation nor the Underwriters make any representation that actual results will be the same as the projections. The projections may be affected favorably or unfavorably by unforeseen future events. The principal assumptions are discussed below.

The Corporation expects that funds subject to the pledge of Revenues will be made available to the Corporation in accordance with the procedures of the Indenture and will be sufficient for the operating expenses of the Project. The buildings will be in continuous occupancy and the tenants will be paying rent during the renovation period. (The UNDP has elected to receive a rent credit as an incentive which has been capitalized.)

Should Revenues be insufficient, the Corporation will exercise its applicable rights under the City Backup Lease and City Support Agreement to seek City assistance. See "CITY SUPPORT FOR THE 2025 BONDS."

The Liquidity Reserve Fund has been established under the Indenture with Corporation funds to provide liquidity to pay debt service, if necessary, while awaiting City payment and reimbursements.

Principal Cash Flow and Pro Forma Assumptions

Revenues. The Corporation's principal revenues consist of rent payments under leases of office space to the UN, the UNDP, missions, agencies and affiliates of the UN at One UN Plaza, Two UN Plaza, and, prior to its transfer by the Corporation to UNICEF or the UN, rent payments under a lease to UNICEF at Three UN Plaza and interest earnings on reserves. The UN and UNDP are obligated to pay rent upon their respective leases being declared effective upon the issuance of the 2025 Bonds.

Subject to the terms of the City Backup Lease and the City Leases, all Revenues net of Debt Service are available to pay for operating expenses and reinvestment in the UNDC Properties, to fund replacement reserves, capital projects, and/or additional renovation projects, to deposit in other reserve accounts and/or to release to the City.

The Corporation's revenues are generally predictable because base rent amounts are fixed under long term leases with tenants. Projected revenues are based on executed leases with UN and UNDP that are expected to be effective upon issuance of the 2025 Bonds. The rents provided for in the New UN/UNDP Leases are \$51 per rentable square foot for the first 5 years of the leases with increases of \$5 per rentable square foot at the 5 year and 10 year dates of the leases. A first rental renewal option at \$66 per rentable square foot is available at the 15th year of the leases and a second rental renewal option at market rent is available at the 20th year. Additional missions and UN-related tenants have executed leases that are currently in effect or are expected to execute leases that will be effective at or around the Closing Date, for approximately 68,000 rentable square feet at rents of \$60 per rentable square foot with 2.5% annual increases in lieu of operating costs pass-through provisions and \$6 per rentable square foot rent increases after 5 years.

In addition, the Corporation has entered into a “Swing Space License Agreement” with UNDP to provide temporary space in One UN Plaza to facilitate the renovation of UNDP’s premises. Following the completion of such renovations the Swing Space will be leased to either UNDP, the UN, or missions, agencies or affiliates of the UN. The Swing Space includes 83,563 rentable square feet. The initial term of the Swing Space License Agreement is three years, commencing upon the effectiveness of the New One UN Plaza UNDP Lease, subject to certain extension options.

The New UN/UNDP Leases each provide the respective tenants with a “Right of First Offer” on all or any portion of office space that becomes available to facilitate their expansion (each an “Offer Space”). In the case of any Non-Expansion Event, the Corporation will rent it to the City in accordance with the City Backup Lease.

Operating Expenses and Reimbursements. Cash flows for the building operating expenses are based upon estimates prepared by C&W. The cash flows are based upon estimates for expenditures and labor costs based on historical operating experience and existing contracted obligations and collective bargaining agreements. The operating costs provisions of the New UN/UNDP Leases provide for increases in costs above a 2024 base year to be passed through to the UN and the UNDP, including costs of insurance. As is typical in most Manhattan commercial office leases, capital costs, except for certain expenditures that result in energy or operating costs savings, are not passed through. For smaller leases with tenants other than the UN or UNDP, in lieu of an operating costs pass through provision rents are increased by 2.5% per year. The estimates have been prepared based on the provisions of the leases, including where applicable the pass-through of operating costs above a 2024 base year. As a result of the proposed renovation, it is expected that the operating costs will vary from the past and the amount of savings due to increased energy efficiency may be variable.

Real Estate Taxes. The Corporation is responsible for real estate taxes on the private land subject to the Two UN Plaza Ground Lease. These payments were \$1,573,100 in 2024 and have been estimated for the future years of the projections. The real estate taxes are part of the reimbursements received by the Corporation from the Hotel.

Interest Earnings. During the construction phase of the Project, the Trustee will be holding proceeds of the 2025 Bonds and funds of the Corporation for application to the costs of the renovation, reimbursement of tenant improvements expenses incurred by the tenants, the funding of tenant rent incentives, replacement reserves, and the Liquidity Reserve Fund. Interest earnings on unspent proceeds and reserves will be invested in Eligible Investments.

Ground Lease Payments. Ground lease payments under the Two UN Plaza Ground Lease are made by the Corporation pursuant to the ground lease for the land under Two UN Plaza. The current annual rent is \$250,000 and is forecast to increase to approximately \$340,000 effective August 2025 and for the five years thereafter, subject to subsequent additional increases as provided for in the Two UN Plaza Ground Lease. The increases in the Ground Lease payments have been included in the pro forma projections. See “**APPENDIX F – TWO UN PLAZA GROUND LEASE.**”

General and Administrative Expenses. The Corporation budgets for corporate expenses for the executives and staff of the Corporation, certain insurance costs, professional fees and other administrative expenses that are not charged as operating costs to either the Condominium or the tenants. Certain expenses of the Project will be capitalized and included in the project budget. These amounts are based on prior years expenditures with annual increases and are expected to be reduced after the completion of the renovation period.

Base Rent to the City; Additional Rent to the City. Pursuant to the City Leases, the Corporation is obligated to pay both Base Rent and Additional Rent to the City. The Corporation’s obligation to pay

rent to the City is subordinate to compliance with the requirements of the Indenture. The Corporation is authorized in the City Leases to defer and accrue the Base Rent if funds are needed for the payment of operating and other expenses of the UNDC Properties. In addition, with the consent of the Corporation's Board, including the City's two *ex officio* members, the Corporation is authorized to establish and fund certain reserves prior to establishing the amount payable to the City as Additional Rent. On an annual basis, pursuant to the City Backup Lease, the Base Rent and Additional Rent payable to the City may also be directed by the City to the City Backup Lease Rental Reserve Fund. See. "CITY SUPPORT FOR THE 2025 BONDS – The City Backup Lease."

DEBT SERVICE REQUIREMENTS⁽¹⁾

Bond Year	2025 Bonds		Total Debt Service
	Principal	Interest	
2025		\$ 5,959,545	\$ 5,959,545
2026		23,576,220	23,576,220
2027		23,576,220	23,576,220
2028		23,576,220	23,576,220
2029		23,576,220	23,576,220
2030		23,576,220	23,576,220
2031	\$ 845,000	23,576,220	24,421,220
2032	1,020,000	23,532,390	24,552,390
2033	1,410,000	23,478,463	24,888,463
2034	1,800,000	23,402,168	25,202,168
2035	2,665,000	23,302,970	25,967,970
2036	4,465,000	23,154,769	27,619,769
2037	5,065,000	22,902,005	27,967,005
2038	5,715,000	22,610,211	28,325,211
2039	6,420,000	22,275,254	28,695,254
2040	7,620,000	21,894,484	29,514,484
2041	9,780,000	21,436,446	31,216,446
2042	10,830,000	20,797,225	31,627,225
2043	11,960,000	20,089,376	32,049,376
2044	13,180,000	19,307,671	32,487,671
2045	14,925,000	18,446,226	33,371,226
2046	17,675,000	17,470,728	35,145,728
2047	19,310,000	16,315,490	35,625,490
2048	21,070,000	15,053,388	36,123,388
2049	22,960,000	13,676,253	36,636,253
2050	25,430,000	12,175,588	37,605,588
2051	28,950,000	10,513,483	39,463,483
2052	31,430,000	8,621,311	40,051,311
2053	34,085,000	6,567,046	40,652,046
2054	36,935,000	4,339,250	41,274,250
2055	<u>29,455,000</u>	<u>1,925,179</u>	<u>31,380,179</u>
TOTAL ⁽²⁾	\$365,000,000	\$560,704,239	\$925,704,239

⁽¹⁾ Excludes debt service for Defeased Bonds expected to be defeased on the Closing Date with funds provided by the Corporation.

⁽²⁾ Totals may not add due to rounding.

Projected Cash Flow and Debt Service Coverage Ratio

The following table shows the Corporation's projected cash flow and Debt Service Coverage Ratios for the first 10 years of the 2025 Bonds on a Bond Year basis. See **SCHEDULE 2 – "PROJECTED CASH FLOW FOR 2025-2055 (BOND YEAR)"** for such information regarding the projected 30-year term of the 2025 Bonds.

10-Year Projected Cash Flow (Bond Year)					
	Year 1 (Ending) 8/1/2025 ⁽²⁾	Year 2 8/1/2026	Year 3 8/1/2027	Year 4 8/1/2028	Year 5 8/1/2029
One UN Plaza Rents	\$3,807,998	\$15,254,085	\$15,364,158	\$16,250,538	\$17,557,889
Two UN Plaza Rents	\$5,875,314	\$23,520,405	\$23,633,649	\$23,977,863	\$24,061,037
Three UN Plaza Rents and Fees	\$1,757,129	\$6,442,806			
Operating Expense Reimbursements	\$1,611,350	\$4,951,546	\$2,763,320	\$2,210,428	\$2,508,554
Total Operating Revenues	\$13,051,791	\$50,168,842	\$41,761,127	\$42,438,829	\$44,127,479
Hotel: Real Estate Tax, Ground Rent, and City Rent Reimbursements ⁽¹⁾	\$388,000	\$1,570,107	\$1,601,509	\$1,633,539	\$1,666,210
Indenture Interest Earnings	\$3,544,130	\$11,510,269	\$7,535,295	\$4,510,294	\$2,802,258
Total Revenues Available for Debt Service	\$16,983,922	\$63,249,217	\$50,897,931	\$48,582,662	\$48,595,947
Total Debt Service	\$(5,959,545)	\$(23,576,220)	\$(23,576,220)	\$(23,576,220)	\$(23,576,220)
Net Revenues available after Debt Service	\$11,024,377	\$39,672,997	\$27,321,711	\$25,006,442	\$25,019,727
DSCR (Total Pledged Revenues/Total Debt Service)	2.85	2.68	2.16	2.06	2.06
	Year 6 8/1/2030	Year 7 8/1/2031	Year 8 8/1/32	Year 9 8/1/2033	Year 10 8/1/2034
One UN Plaza Rents	\$17,806,072	\$23,866,795	\$23,943,461	\$24,033,929	\$24,108,443
Two UN Plaza Rents	\$24,647,191	\$26,334,490	\$26,372,316	\$26,411,532	\$26,451,585
Three UN Plaza Rents and Fees					
Operating Expense Reimbursements	\$2,864,831	\$3,472,411	\$4,160,120	\$4,773,214	\$5,356,448
Total Operating Revenues	\$45,318,094	\$53,673,695	\$54,475,898	\$55,218,675	\$55,916,477
Hotel: Real Estate Tax, Ground Rent, and City Rent Reimbursements ⁽¹⁾	\$1,699,534	\$1,733,525	\$1,768,195	\$1,803,559	\$1,839,630
Indenture Interest Earnings	\$2,107,579	\$1,195,896	\$679,114	\$679,114	\$679,114
Total Revenues Available for Debt Service	\$49,125,207	\$56,603,116	\$56,923,207	\$57,701,348	\$58,435,221
Total Debt Service	\$(23,576,220)	\$(24,421,220)	\$(24,552,390)	\$(24,888,463)	\$(25,202,168)
Net Revenues available after Debt Service	\$25,548,987	\$32,181,895	\$32,370,817	\$32,812,885	\$33,233,053
DSCR (Total Pledged Revenues/Total Debt Service)	2.08	2.32	2.38	2.32	2.32

Notes

⁽¹⁾ The Hotel Operator is obligated under the Hotel Sublease to reimburse the Corporation for its allocated share of property tax for the land under Two UN Plaza, rental payments under the Two UN Plaza Ground Lease, and City Rent.

⁽²⁾ Partial year.

THE 2025 BONDS

General

The Corporation is authorized by the Act to issue its bonds for the purposes, among others, of financing the Project, and paying issuance costs. The Corporation authorized the issuance of the 2025 Bonds by resolutions duly adopted by its Board on March 27, 2025.

Beneficial ownership interests in the 2025 Bonds will be available in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the 2025 Bonds purchased. See “BOOK-ENTRY ONLY SYSTEM” below.

The 2025 Bonds will be dated the date of their delivery and will bear interest at the rates, and mature on the dates, set forth on the inside cover page of this Official Statement. Interest on the 2025 Bonds will be payable semiannually on February 1 and August 1 of each year, commencing August 1, 2025, and on each redemption date and maturity date (each, an “Interest Payment Date”). Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. Scheduled payments of Principal Installments (consisting of the principal amount of 2025 Bonds which mature on a single future date and the principal amount of sinking fund installments required to be paid on a future date) will be payable on August 1 of designated years as set forth on the inside cover page of this Official Statement (each such date, a “Principal Installment Date”).

So long as all of the 2025 Bonds are registered in the name of a nominee of DTC or any successor Securities Depository, the interest on and the principal or redemption price, if any, of all such 2025 Bonds are payable in immediately available funds from the Trustee to DTC or any successor Securities Depository for such 2025 Bonds.

If any 2025 Bonds are no longer registered in the name of DTC or any successor Securities Depository, the principal or redemption price, if any, of all 2025 Bonds are payable at the Principal Office of the Trustee, and payment of the interest on each 2025 Bond shall be made by the Trustee on each Interest Payment Date to the person appearing on the registration books of the Corporation as the registered owner thereof, by check or draft mailed to such registered owner at the owner’s address as it appears on such registration books as of the applicable close of business on the fifteenth (15th) day of the calendar month preceding the Interest Payment Date (the “Record Date”); provided that, with respect to overdue interest or interest payable on redemption of 2025 Bonds other than on an Interest Payment Date or interest on any overdue amount, the Trustee may establish a special record date. The special record date may be not more than 20 days before the date set for payment. The Trustee will mail or cause to be mailed notice of a special record date to the Owners at least 10 days before the special record date. Payment of the Principal Installments of all 2025 Bonds shall be made upon the presentation and surrender of such 2025 Bonds as the same shall become due and payable.

Optional Redemption Provisions

Par Optional Redemption. The 2025 Bonds maturing on and after August 1, 2036 are subject to redemption at the option of the Corporation, in whole or in part, on any date on or after August 1, 2035 at par, plus accrued interest to the date of redemption.

Make-Whole Optional Redemption. The 2025 Bonds are subject to redemption at the option of the Corporation, in whole or in part, on any date on or prior to August 1, 2035, at a redemption price equal to the greater of:

(a) the issue price set forth on the inside cover page hereof (but not less than 100%) of the principal amount of such 2025 Bonds to be redeemed; or

(b) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such 2025 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such 2025 Bonds are to be redeemed, discounted to the date on which such 2025 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus:

- (i) for 2025 Bonds maturing August 1, 2031 and August 1, 2033: 15 basis points,
 - (ii) for 2025 Bonds maturing August 1, 2032, and August 1, 2034 through August 1, 2036, inclusive: 20 basis points,
 - (iii) for 2025 Bonds maturing August 1, 2037 through August 1, 2055, inclusive: 25 basis points,
- plus in each case accrued interest to the redemption date.

“Business Day” means any day other than (A) a Saturday or Sunday or legal holiday or a day on which banking entities in the city or cities in which the Principal Office of the Trustee is located are authorized by law or executive order to close, or (B) a day on which the New York Stock Exchange is closed.

“Treasury Rate” means, with respect to any redemption date for a particular 2025 Bond, the yield to maturity as of such redemption of United States Treasury securities with a constant maturity (as compiled and published in the Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but not more than 60 calendar days, prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the 2025 Bond to be redeemed.

Mandatory Sinking Fund Redemption

The 2025 Bonds maturing on August 1, 2055 are subject to mandatory sinking fund redemption in part (in accordance with the procedures described below), in the years set forth below, at a redemption price equal to the principal amount of the 2025 Bonds called for redemption plus interest accrued to the redemption date:

2025 Bonds Maturing August 1, 2055			
Year	Principal Amount	Year	Principal Amount
2041	\$ 9,780,000	2049	\$22,960,000
2042	10,830,000	2050	25,430,000
2043	11,960,000	2051	28,950,000
2044	13,180,000	2052	31,430,000
2045	14,925,000	2053	34,085,000
2046	17,675,000	2054	36,935,000
2047	19,310,000	2055†	29,455,000
2048	21,070,000		

† Final maturity.

Selection of 2025 Bonds for Redemption

If less than all of a series of the 2025 Bonds are called for optional redemption, the Corporation will select the maturity or maturities from which the 2025 Bonds are to be redeemed. If the 2025 Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the 2025 Bonds, if less than all of the 2025 Bonds of a maturity are called for prior redemption, the particular 2025 Bonds or portions thereof to be redeemed shall be selected on a pro-rata

pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the 2025 Bonds are held in book-entry form, the selection for redemption of such 2025 Bonds shall be made in accordance with the operational arrangements of DTC then in effect. If less than all 2025 Bonds of any maturity that are subject to sinking fund installments are to be redeemed, the method of their selection shall be determined by the Corporation, including the selection in whole or in part from any or all of the sinking fund installments within such maturity.

It is the Corporation's intent that redemption allocations made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, neither the Corporation nor the Underwriters can provide any assurance that DTC, DTC's Direct and Indirect Participants (as defined herein) or any other intermediary will allocate the redemption of 2025 Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the 2025 Bonds on a pro rata pass-through distribution of principal basis as discussed above, then the Bonds will be selected for redemption, in accordance with DTC procedures.

Notice of Redemption

When the Trustee shall be required or authorized, or shall receive notice from the Corporation of its election, to redeem 2025 Bonds, the Trustee shall in accordance with the terms and provisions of the Bonds and of the Indenture, select the Bonds to be redeemed and shall give notice, in the name of the Corporation, of the redemption of 2025 Bonds, which notice shall specify the maturities of the 2025 Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the 2025 Bonds of any like maturity are to be redeemed, the letters and numbers or other distinguishing marks of such 2025 Bonds so to be redeemed, and, in the case of a 2025 Bond to be redeemed in part only, such notice shall also specify the portion of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each 2025 Bond to be redeemed the redemption price thereof, or the redemption price of the specified portion of the principal thereof in the case of a 2025 Bond to be redeemed in part only, together with interest accrued to such date, and that from and after such date interest thereon shall cease to accrue and be payable.

The Trustee shall mail a copy of such notice, postage prepaid, not less than 20 days before such redemption date, to the Owner of any 2025 Bond all or a portion of which is to be redeemed, at his last address, if any, appearing upon the registration books of the Corporation, but failure so to mail any such notice to any particular Owner of a 2025 Bond shall not affect the validity of any proceedings for the redemption of any other 2025 Bond. In the event that DTC or a successor Securities Depository shall be the Owner of all of the 2025 Bonds in book-entry only form, such notice of redemption will only be sent to DTC or the successor Securities Depository. In the event that at the time of notice of any optional redemption of the 2025 Bonds there have not been deposited with the Trustee moneys available for payment pursuant to this Indenture and sufficient to redeem all of the 2025 Bonds called for redemption, the notice may state that it is conditional in that it is subject to the deposit of sufficient moneys by not later than the redemption date, and if the deposit is not timely made the notice shall be of no effect.

Payment of Redeemed 2025 Bonds

Notice having been given in the manner and to the extent provided, the 2025 Bonds or portions thereof called for redemption and specified in said notice shall become due and payable on the redemption date specified in said notice at the redemption prices thereof applicable on such date, plus unpaid interest on said 2025 Bonds or portions thereof accrued to such date, and, upon presentation and surrender thereof at the place or places specified in said notice together with a written instrument of transfer duly executed by the registered owner thereof or by his attorney duly authorized in writing, said

2025 Bonds or portions thereof shall be paid at the said redemption prices, plus unpaid interest on said 2025 Bonds or portions thereof accrued to such date. If there shall be so called for redemption less than all of a 2025 Bond, the Corporation shall execute and cause to be delivered, upon the surrender of such 2025 Bond to the Trustee, without charge to the owner thereof, for the unredeemed balance of the principal amount of the 2025 Bond so surrendered, 2025 Bonds of like designation, interest rate and maturity. If, on such redemption date, money for the redemption of all the 2025 Bonds or portions thereof of any like maturity to be redeemed, together with interest thereon accrued and unpaid to such date, shall be held by or on behalf of the Trustee so as to be available therefor on such date, then from and after such redemption date, interest on the 2025 Bonds or portions thereof of such maturity so called for redemption shall cease to accrue and become payable, and said 2025 Bonds shall no longer be considered as Outstanding hereunder. All money held by or on behalf of the Trustee for the redemption of particular 2025 Bonds shall be held in trust for the account of the holders of the 2025 Bonds so to be redeemed.

State's Right to Require Redemption of the 2025 Bonds

Under Section 10-e of the Act, notwithstanding and in addition to any provisions for redemption which may be contained in the Indenture or the 2025 Bonds, the State, upon furnishing sufficient funds therefor, has reserved the right to require the Corporation to redeem, prior to maturity, as a whole, any 2025 Bonds on any Interest Payment Date not less than twenty (20) years after the date of the 2025 Bonds at a redemption price of one hundred five per centum (105%) of their face value and accrued interest or at such lower redemption price as may be provided in the 2025 Bonds in case of the redemption thereof as a whole on the redemption date. In addition to any other notice of redemption that may be required under the Indenture for the redemption of the 2025 Bonds, notice of such State required redemption only shall be published at least twice in at least two newspapers publishing and circulating respectively in the cities of Albany and New York, the first publication to be at least thirty days before the date of redemption.

Corporation's Right to Purchase

The Corporation has the right to purchase the 2025 Bonds, including any and all sinking fund installments within any such maturity of 2025 Bonds subject to sinking fund installments, from funds not subject to the pledge and lien of the Indenture at such times, in such amounts, and at such prices as the Corporation determines.

BOOK-ENTRY ONLY SYSTEM

The information that follows in this section "BOOK-ENTRY ONLY SYSTEM" is based solely on information provided by The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2025 Bonds.

DTC will act as securities depository for the 2025 Bonds. The 2025 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2025 Bond certificate will be issued for each maturity of the 2025 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC at the office of the Trustee on behalf of DTC utilizing the DTC FAST system of registration.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million

issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2025 Bonds under the DTC system must be made by or through Direct Participants, which are to receive a credit for the 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2025 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transactions. Transfers of ownership interests in the 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2025 Bonds, except in the event that use of the book-entry system for the 2025 Bonds is discontinued.

To facilitate subsequent transfers, all 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2025 Bonds, such as defaults, and proposed amendments to the 2025 Bond documents. For example, Beneficial Owners of the 2025 Bonds may wish to ascertain that the nominee holding the 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notice be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record

date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC (nor its nominee), the Paying Agent, the Trustee or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2025 Bonds at any time by giving reasonable notice to the Corporation and Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2025 Bond certificates are required to be printed and delivered as provided in the Indenture.

The Corporation may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2025 Bond certificates will be printed and delivered as provided in the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Corporation believes to be reliable, but the Corporation takes no responsibility for the accuracy thereof.

Neither the Corporation nor the Trustee will have any responsibility or obligation to any DTC Participant, any Beneficial Owner or other persons claiming a beneficial ownership interest in the 2025 Bonds under or through DTC or any DTC Participant, with respect: to the accuracy of any records maintained by DTC or any DTC Participant; the payment by DTC or any DTC Participant of any amount in respect of the principal of or interest on the 2025 Bonds; any notice which is permitted or required to be given to owners under the Indenture; or any consent given or other action taken by DTC as an owner.

No assurance can be given by the Corporation or the Trustee that DTC will distribute to the DTC Participants or the DTC Participants will distribute to the Beneficial Owners (i) payments of debt service on the 2025 Bonds paid to DTC or its nominee, as the registered owner, or (ii) any notices, or that DTC or the DTC Participants will serve or act on a timely basis or in a manner described in this Official Statement.

For every transfer and exchange of a beneficial ownership interest in the 2025 Bonds, the Beneficial Owner may be charged a sum to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Pledge of the Indenture

The Bonds, including the 2025 Bonds, will be payable from and secured by a pledge of (i) the Revenues and all Funds and Accounts held by the Trustee under the Indenture (other than Funds and Accounts established by a supplemental indenture that by their specific terms are not pledged to the payment of the Bonds), and money and investments of money held in such funds or accounts (not including the Operating Fund or the Project Contingency Fund), (ii) all rights and interest of the Corporation in or to the Basic Annual Rent payable by the City under the City Backup Lease, (iii) all rights and interest of the Corporation in or to the City Support Payments under the City Support Agreement, and (iv) any and all other property or security interest therein from time to time granted, bargained, sold, conveyed, transferred, mortgaged, pledged and assigned as additional security under the Indenture.

“Revenues” for any particular period is defined in the General Indenture to mean all gross receipts, proceeds, revenues, income and other money derived by the Corporation during such period from or in connection with the UNDC Properties or any part thereof, but excluding any money authorized to be deposited to the credit of the Project Fund unless an Event of Default has occurred, and excluding Support Payments.

Amounts in the Operating Fund, which is created under the Indenture, are held by the Corporation and not the Trustee and are not subject to the pledge of the other Funds and Accounts held by the Trustee. See “Flow of Funds” below. Amounts in the Project Contingency Fund, which is created under the First Supplemental Indenture, are held by the Trustee and are not subject to the pledge of the other Funds and Accounts held by the Trustee.

The Bonds will not constitute a debt of the UN, UNDP, UNICEF, the United States of America or the State or The City of New York, none of which will be liable thereon. The Corporation has no taxing power.

The following summarizes certain provisions contained in the Indenture, to which reference is made for a complete recital of the terms thereof.

Project Fund

The Project Fund is created under the Indenture as a special trust fund to be held by the Trustee subject to the pledge of the Indenture, to the credit of which such deposits will be made from the proceeds of 2025 Bonds and any Additional Bonds as may be required by supplemental resolution. The Project Fund will be applied to the payment of Capital Costs in the manner set forth in the Indenture and the First Supplemental Indenture. Generally, “Capital Costs” means all costs of the acquisition, construction, reconstruction, rehabilitation or improvement (including repair, alteration, renovation and restoration) of the UNDC Properties or any portion thereof (including the Project). Upon the occurrence and continuation of an Event of Default under the Indenture described below prior to the Project completion date, all money and investments in the Project Fund may be disbursed at the written direction of the Bondholder Representative to pay any costs and expenses of the Project (or any portion thereof), to pay costs of enforcement of the Security Documents (as defined below) and to pay any and all amounts owed by the Corporation thereunder, in whatever amounts and whatever order the Bondholder Representative may determine; provided, however, if the Bondholder Representative has received a notice of Non-Completion from the UN or UNDP prior to the occurrence of such event of default, the Bondholder Representative will direct the Trustee to apply the balance of any funds remaining in the applicable subaccount of the Project Fund to pay the remaining Capital Costs of the Project (or a portion thereof). A

“Notice of Non-Completion” means, with respect to any portion of the Project, a notice from either the UN or UNDP addressed to the Trustee, the City and the Bondholder Representative (if any) setting forth that the Corporation has failed to substantially and timely complete the Project in accordance with the plans and specifications set forth under the New UN/UNDP Leases. See “ FORM OF INDENTURE OF TRUST” in **APPENDIX A** hereto.

Liquidity Reserve Fund

On the date of issuance of the 2025 Bonds, the Corporation will fund the Liquidity Reserve Fund in an amount equal to the Liquidity Reserve Fund Requirement with respect to the 2025 Bonds. Thereafter, on the date of issuance of any Additional Bonds, there shall be deposited into, or withdrawn from, the Liquidity Reserve Fund an amount sufficient to bring the amount on deposit therein to equal the Liquidity Reserve Fund Requirement. “Liquidity Reserve Fund Requirement” means, as of the date of issuance of any Series Bonds and on each subsequent Interest Payment Date, 1.50 times the greatest sum of the Principal Requirements on all Principal Installment Dates and the Interest Requirements on all Interest Payment Dates for all Bonds outstanding in the then current or any future fiscal year but excluding any amounts past due.

Upon the occurrence of a Support Event, the Corporation will (1) notify the Trustee and the City, and (2) in the event the Corporation projects that at any time within the following 18 months Revenues will be insufficient to provide for deposit to the Debt Service Fund the full amounts required under the Indenture, taking into consideration amounts payable under the City Backup Lease for which timely appropriations by the City have been made or are anticipated to be made, then the Corporation will provide a Deficiency Notice in accordance with the City Support Agreement.

Following the receipt by the Trustee and the City of the notice that a Support Event has occurred, and until the City has begun making Support Payments under the City Support Agreement, the Trustee will notify the City and the Corporation by no later than five (5) Business Days after the end of each month of the amount by which the Revenues deposited into the Debt Service Fund relating to the next Interest Payment Date or Principal Installment Date are deficient, if at all, of the cumulative pro-rata amounts required to be deposited therein to the end of such month in accordance with the Indenture. If on the fifteenth day of such January or July there remains insufficient money in the Debt Service Fund to make such payments of Principal Installments of or interest on the Bonds, the Trustee, upon notifying the Corporation, shall make withdrawals from the Liquidity Reserve Fund so that the amount in the Debt Service Fund is equal to the amount of debt service required to be paid under the Indenture.

Liquidity Reserve Fund Covenant

The Corporation shall maintain at all times on deposit in the Liquidity Reserve Fund an amount equal to the Liquidity Reserve Fund Requirement; provided, however, that for the sole purpose of determining or calculating compliance with this requirement from time to time, there shall be deemed to be on deposit therein the amount of any obligation of the City under the Support Agreement to reimburse the Liquidity Reserve Fund for amounts actually withdrawn from the Liquidity Reserve Fund for transfer to the Debt Service Fund for which (i) the City has received a “Deficiency Notice” under Section 2.2 of the Support Agreement, and (ii) the City has not failed to timely seek or obtain an appropriation in accordance with the Support Agreement; *provided further*, however, such amounts deemed deposited shall exclude earnings and other income actually derived from the investment or deposit of the Liquidity Reserve Fund.

Additional Bonds

The Indenture permits Bonds (“Additional Bonds”) to be issued under the Indenture after the date of the First Supplement, provided an amendment or supplement to the Support Agreement is entered into that provides for the payment by the City of Support Payments sufficient to provide for the payment of Debt Service on all Bonds to be Outstanding after the issuance of such Additional Bonds, and, on the date of the issuance of such Additional Bonds, there shall be deposited into, or withdrawn from, the Liquidity Reserve Fund an amount sufficient to bring the amount on deposit therein to equal the Liquidity Reserve Fund Requirement. See “FORM OF INDENTURE OF TRUST” in APPENDIX A hereto.

Insurance

The Corporation covenants in the Indenture that it will maintain insurance as provided therein. With respect to the UNDC Properties, the insurance the Corporation is required to maintain at all times includes coverage against such risks as are customarily insured against in connection with facilities of type and size comparable to the UNDC Properties. See “FORM OF INDENTURE OF TRUST” in APPENDIX A for the insurance the Corporation is required to maintain, and “INSURANCE COVERAGE” in APPENDIX F for a description of the insurance currently maintained by the Corporation.

The Corporation, however, will not be in default under the Indenture if at any time the Corporation is unable to obtain the insurance required by the Indenture, either as to the amount of such insurance or as to the risks covered thereby or the deductible provision thereof, but carries such insurance to the extent reasonably obtainable.

For additional information concerning the Corporation’s current insurance coverage see “INSURANCE COVERAGE” in **APPENDIX F** hereto.

Flow of Funds

Establishment of Funds and Accounts. In addition to the Project Fund, the General Indenture establishes the following funds and accounts:

<u>Funds and Accounts</u>	<u>Held By</u>
Revenue Fund	Trustee
Debt Service Fund	Trustee
Liquidity Reserve Fund	Trustee
Renewal and Replacement Fund	Trustee
City Rent Fund	Trustee
Redemption Fund	Trustee
Corporation Purposes Reserve Fund	Trustee
Operating Fund	Corporation

Deposit of Revenues. Pursuant to the Indenture, all Revenues are to be deposited by the Corporation with the Trustee or another depository and credited to the Revenue Fund upon receipt or as soon as practicable. Revenues do not include any amounts authorized or required under the Indenture to be deposited to a specific Fund or Account other than the Revenue Fund, including any insurance proceeds for damage and destruction or amounts derived from or in connection with condemnation awards, which are to be deposited into the Renewal and Replacement Fund, upon certification by the Corporation that the UNDC Properties are capable of being repaired, restored or replaced with the money available to the Corporation, including such insurance proceeds or condemnation awards, to a condition

which will permit the continued operation of the UNDC Properties in a manner consistent with the Indenture.

Application of Revenues. Not less frequently than each month, the Trustee is to make the following transfers and deposits from the Revenue Fund, in the order and to the extent indicated below:

(a) To the Debt Service Fund, a sum (taking into consideration the application of amounts deposited into any Capitalized Interest Account) such that if the same amount were transferred each month, there would be on deposit 10 days before the next Interest Payment Date and 10 days before the next Principal Installment Date (but only if such Principal Installment Date is within 12 months of the date of deposit) an amount equal to the Interest Requirement and the Principal Requirement as of 10 days before such dates. The Trustee will withdraw amounts in the Debt Service Fund, including any applicable withdrawal from any Capitalized Interest Account, to the payment of Principal Installments of and interest on the Bonds. In the event that, after the application of moneys from the Liquidity Reserve Fund, there is insufficient money in the Debt Service Fund to make payments of principal of or interest on the Bonds, the Trustee, upon notifying the Corporation, is to make withdrawals from the Funds and Accounts in the following order of priority and deposit the same in the Debt Service Fund: Redemption Fund (except as to amounts on deposit therein for which notice of redemption on Bonds has been given to the Owners thereof); Corporation Purposes Reserve Fund; City Rent Fund; and Renewal and Replacement Fund.

“Interest Requirement” means, as of any date of calculation, the amount equal to any unpaid interest that previously became due on the Bonds plus the amount of interest that is due (if calculated on an Interest Payment Date) or will on the next succeeding Interest Payment Date become due on the Bonds (not including, for purposes of any transfer from the Revenue Fund or any interest for the payment of which provision has been made from sources other than Revenues). “Principal Requirement” means, as of any date of calculation, the amount of any unpaid Principal Installment that previously became due plus the Principal Installment then due (if calculated on a Principal Installment Date) or to become due on the Bonds on the next succeeding Principal Installment Date;

(b) To the Operating Fund upon requisition by the Corporation, free and clear of the pledge and lien of the Indenture and the Security Documents, a sum equal to the anticipated Operating Expenses (including reimbursement for such expenses paid by the Corporation from moneys not subject to the pledge and lien of the Indenture) for the next succeeding calendar month. “Operating Expenses” for any particular period is defined in the Indenture to mean the reasonable and necessary current expenses incurred or in the reasonable judgment of the Corporation to be incurred during such period by the Corporation for the maintenance, repair, operation and administration of the UNDC Properties, or any part thereof, including payments of real estate taxes, required payments to the board of managers under the Condominium Declaration and rent payable under the Two UN Plaza Ground Lease;

(c) To the Renewal and Replacement Fund, a sum which, when added to the amounts then on deposit in the Renewal and Replacement Fund, is at least equal to the amount anticipated by the Corporation to be withdrawn from the Renewal and Replacement Fund during the next succeeding month; provided that the aggregate amount transferred to the Renewal and Replacement Fund in any calendar year will be equal to the Renewal and Replacement Requirement. “Renewal and Replacement Requirement” is defined in the Indenture to mean the amount recommended by an authorized officer of the Corporation to be deposited in the Renewal and Replacement Fund for a calendar year. Upon requisition by the Corporation, the Trustee is to apply amounts in the Renewal and Replacement Fund to the reasonable and necessary expenses of the Corporation with respect to the UNDC Properties for restoration, major repairs, renewals, replacements or maintenance items of a type recurring less frequently

than annually (including reimbursement for such expenses paid by the Corporation from moneys not subject to the pledge and lien of the Indenture or the other Security Documents);

(d) To the City Rent Fund in an amount such that there will be sufficient money in the City Rent Fund to make the next payment of Net Annual Rent and Base Rent to the City as defined and required under the City Leases, as evidenced by an officer's certificate delivered to the Trustee; and

(e) To the Corporation Purposes Reserve Fund, any remaining amount.

Disposition of the UNDC Properties

The Corporation shall not, except as permitted by the Indenture and the other Security Documents, sell, transfer, mortgage, pledge, assign or otherwise dispose of or grant a security interest in its interest in the UNDC Properties, or any part thereof (other than the transfer of Three UN Plaza to UNICEF or the UN upon the expiration of the Three UN Plaza UNICEF Lease. Subject to certain the provisions of the Indenture requiring (a) certain records and reports, and (b) compliance with the City Leases, the Two UN Plaza Ground Lease, the City Backup Lease, the City Support Agreement, and the Condominium Declaration, but notwithstanding any other provision of the Indenture or any other Security Document, so long as the City Backup Lease and the City Support Agreement remain in effect, the Corporation may take such actions as it deems necessary or desirable to prepare for (but not carry out) the disposition of the UNDC Properties in whole or in part, including entering into any agreements with any tenants of the UNDC Properties for such tenants to vacate and cease paying rent for any portion of the UNDC Properties. The Corporation may also sell, transfer, mortgage, pledge, assign or otherwise dispose of or grant a security interest in its interest in the UNDC Properties, or any part thereof, subject to: (i) delivery to the Trustee of an officer's certificate describing the sale, transfer, mortgage, pledge, assignment or other type of transaction, (ii) application of the proceeds thereof, if any, to the purchase, redemption or defeasance of Bonds, and (iii) delivery to the Trustee of an officer's certificate stating that the Corporation has received a rating confirmation with respect to all Outstanding Bonds.

Events of Default

Each of the following constitutes an event of default ("Event of Default") under the Indenture:

(1) interest on any of the Bonds shall become due on any date and shall not be paid on said date, or the principal, including through sinking fund installments, or redemption price of any of the Bonds shall become due on any date, whether at maturity or upon call for redemption and shall not be paid on said date;

(2) a default shall be made in the observance or performance of any covenant, contract or other provision in the Bonds or any Security Document contained (other than a default constituting an Event of Default pursuant to clause (1) and such default shall continue for a period of 90 days after written notice to the Corporation and the Trustee from the Owners of not less than 25% of the aggregate principal amount of the Outstanding Bonds or to the Corporation from the Trustee specifying such default and requiring the same to be remedied; but so long as the Corporation is not in default under the Condominium Declaration, the City Backup Lease, the Two UN Plaza Ground Lease or the City Leases and if the Corporation commences curing the Event of Default within such 90 days after such notice and is using its best efforts to cure such default, all as evidenced by an officer's certificate delivered to the Trustee to such effect, no Event of Default shall be deemed to occur on the expiration of the 90 days; and

(3) there shall be filed by the Corporation a petition seeking a composition of indebtedness under any applicable law or statute of the United States of America or of the State.

The failure by the Corporation to complete the Project in accordance with the New UN/UNDP Leases is not an Event of Default under the Indenture, provided that the foregoing does not vitiate any Event of Default under the Indenture arising in connection with any such failure. See Section 618 in **APPENDIX A — “FORM OF INDENTURE OF TRUST.”**

Remedies

Upon the happening and continuance of an Event of Default described in clauses (1), (2) or (3) under “Events of Default” above, the Trustee may proceed, and upon written request of the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding or upon the written request of the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding with respect to which such Event of Default described in such clause (1) has occurred, must proceed, to protect and enforce its rights and, to the full extent that the Owners of the Bonds themselves might do, the rights of such Owners under the laws of the State or under the Indenture or under any other Security Document by such suits, actions or proceedings in equity or at law, either for the specific performance of any covenant or contract contained in the Indenture, in any other Security Document or in aid or execution of any power granted by the Indenture, in any other Security Document or for any proper legal or equitable remedy as the Trustee deems most effectual to protect and enforce the rights aforesaid and, without limiting the generality of the foregoing, by such of the following remedies, as the Trustee, being advised by counsel, deems most effectual to protect and insure the rights of such Owners:

(1) by suit, action or proceeding for specific performance in equity to require the Corporation to collect Revenues as described under “Flow of Funds — Deposit of Revenues” above;

(2) by suit or action upon the Bonds or any Security Document (including the commencement of a foreclosure action under the Leasehold Mortgages, the appointment of a receiver over the Corporation and the exercise of all of the rights and remedies of a secured party under the Uniform Commercial Code of the State of New York;

(3) by action or suit to require the Corporation to account as if it were the trustee of an express trust for the Owners of the Bonds;

(4) by action or suit to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds; or

(5) if an Event of Default described in clause (1) under “Events of Default” above, has happened, or if so requested by the Owners of all the Outstanding Bonds, by declaring all Bonds due and payable, but such declaration is to be made only after 30 days’ notice in writing from the Trustee to the Governor of the State, to the Mayor of the City, to the Corporation, to the Attorney General of the State and to the Corporation Counsel of the City of the Trustee’s intention to declare all Bonds due and payable.

Accounts and Reports

The Corporation covenants in the Indenture that it will annually, within 90 days after the close of each fiscal year, file with the Trustee and such officer of the State, if any, as required by law, a copy of the annual report for such fiscal year and shall promptly mail a copy of each annual report of the Corporation to S&P Global Ratings (“S&P”) and Fitch Ratings, Inc. (“Fitch”) and each Bondholder the name and address of which has been filed with the Corporation for such purpose.

Leasehold Mortgages and other Security Documents

Leasehold Mortgages. The 2025 Bonds will be additionally secured by mortgage liens, subject to certain permitted encumbrances, on the Corporation's interests in One UN Plaza and Two UN Plaza, including its leasehold interests in the Office Unit and its percentage interest in the common elements related thereto with respect to One UN Plaza, and its interests in the land and improvements at Two UN Plaza, pursuant to (a) a Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Building Loan) (the "Building Loan Mortgage"), (b) a Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Acquisition Loan), and (c) a Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Project Loan), each from the Corporation to the Trustee (the foregoing leasehold mortgages identified in clauses (a), (b) and (c) being referred to collectively, as (collectively, the "Leasehold Mortgages"). See "LEASEHOLD MORTGAGES" in **APPENDIX F** hereto.

The proceeds secured by the Building Loan Mortgage will be subject to the provisions of a building loan agreement dated as of the Closing Date, between the Corporation and the Trustee (the "Building Loan Agreement"; and together with the Indenture, the Leasehold Mortgages, the Assignment of Leases and Rents, and the Assignments of Project Documents, the City Backup Lease and the City Support Agreement, the "Security Documents").

Assignment of Leases and Rents. The 2025 Bonds will be further secured by the Assignment of Leases and Rents pursuant to which the Corporation will make an assignment to the Trustee of all leases and rents with respect to the UNDC Mortgaged Premises. See "LEASEHOLD MORTGAGES" in **APPENDIX F** hereto.

Assignment of Project Documents. The 2025 Bonds will also be further secured by Collateral Assignments of Project Documents pursuant to which the Corporation and the Condominium Board will each make an assignment to the Trustee, of its respective interests in all documents, instruments, plans, permits, licenses, approvals, applications and other instruments for the Project (including the Turner Construction Management Agreement and the GMP).

LITIGATION

There is no litigation pending or, to the best knowledge of the Corporation, threatened, which questions the existence of the Corporation, or which would restrain or enjoin the issuance or delivery of the 2025 Bonds or which concerns the proceedings of the Corporation taken in connection with the 2025 Bonds or the pledge or assignment and grant of security interests in the property of the Corporation under the Indenture for their payment or which contests the powers of the Corporation with respect to the foregoing.

CERTAIN RISK FACTORS

Purchase of the 2025 Bonds involves certain payment risks. This section discusses certain risks associated with the 2025 Bonds but is not intended to be a dispositive, comprehensive, or definitive listing of all risks associated with the modernization, improvements and operation of the UNDC Properties, the repayment of the 2025 Bonds or the purchase and ownership of the 2025 Bonds. The risks and uncertainties described herein are not intended to be, nor can they be, a complete recitation of the risks and uncertainties involved in the purchase and ownership of the 2025 Bonds. This section should be read in conjunction with the rest of this Official Statement, including the Appendices hereto.

Although the various risks discussed in this Official Statement are generally described separately, prospective investors of the 2025 Bonds should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be increased.

When making an investment decision with respect to the 2025 Bonds, a potential purchaser can have no assurance, based on the information contained herein, that any third party will have the capability to meet its financial obligations under the agreements or instruments to which it is a party.

This Official Statement contains statements relating to future events that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “intend,” “anticipate,” “expect,” “assume” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events or circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results; those differences could be material.

General

The Corporation Has No Taxing Authority and No Revenues Other than Rental Revenues.

The Corporation has no taxing authority and as such the 2025 Bonds are payable solely from and secured by a pledge of Revenues, Funds and Accounts, the Leasehold Mortgages, an Assignment of Leases and Rents with respect to the Corporation’s interests in the UNDC Properties, and an Assignment of Project Documents relating to the Project. Revenues presently include amounts derived from the Corporation’s operation and maintenance of all three UNDC Properties. The Corporation and the City have agreed that upon the expiration of the Three UN Plaza UNICEF Lease on July 2, 2026, and subject to certain conditions being met, UNICEF or the UN will obtain ownership of Three UN Plaza without payment to the Corporation by UNICEF. Following the transfer of title, Revenues will no longer include amounts derived from or otherwise relating to Three UN Plaza. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Pledge of the Indenture.” The Corporation projects that Revenues from Two UN Plaza and the Office Unit at One UN Plaza will be sufficient to comply with the Corporation’s obligations under the Indenture however there is no assurance that that will be the case. Revenues also include such payments as may be made by the City under the City Backup Lease. The 2025 Bonds are additionally secured by such payments as may be made under the City Support Agreement. The City’s obligations under the City Backup Lease and the City Support Agreement are subject to certain procedural requirements and are subject to the appropriation and availability of funds for such purpose. See “CERTAIN RISK FACTORS — City Appropriation Risk”

The Corporation Has No Assets Other than the UNDC Properties.

The Corporation has no material income-producing assets other than the UNDC Properties. If Revenues are not sufficient to pay debt service on the 2025 Bonds then the Corporation may not be able to make timely payments. In such event, subject to the giving of certain notices, the City may become responsible for Support Payments under the City Support Agreement or rental payments under the City Backup Lease. There can be no assurance, however, that the conditions of the City Backup Lease or City Support Agreement will be met or that the City will make the necessary appropriations to make timely payments under the City Support Agreement or the City Backup Lease. See “CERTAIN RISK FACTORS — City Appropriation Risk.”

The State of New York Has the Right to Cause the 2025 to Be Redeemed Prior to Maturity

Under Section 10-e of the Act, the State has reserved the right to require the Corporation to redeem, prior to maturity, as a whole, any 2025 Bonds on any interest payment date not less than twenty (20) years after the date of the 2025 Bonds at a redemption price of one hundred five per centum (105%) of their face value and accrued interest or at such lower redemption price as may be provided in the 2025 Bonds in case of the redemption thereof as a whole on the redemption date. There can be no assurance that if the State exercised such right the proceeds of redemption could be reinvested at a comparable interest rate to that of the 2025 Bonds. See “THE 2025 BONDS — State's Right to Require Redemption of the 2025 Bonds.”

City Appropriation Risk

The City's Payment Obligations under the City Backup Lease and City Support Agreement Are Subject to Appropriation

The City's obligation to make payments under the City Backup Lease and the City Support Agreement are subject to appropriation by the City, and the City's obligation to make payments thereunder is limited to the extent of such monies as are appropriated and available. The City cannot be legally compelled to appropriate any such payments. There can be no assurance that such amounts will be appropriated and, if an appropriation is not made, the City cannot make such payments. The City's obligation to make such payments do not constitute debt of the City under or within the meaning of the State Constitution or the Local Finance Law of the State. A decision to appropriate monies for such payments, and the availability of any monies appropriated, may depend on the financial condition of the City at the times payments are required and the relative importance of competing City needs at such times. A failure by the City to make an appropriation is not a default or an Event of Default under the City Backup Lease, the City Support Agreement or the Indenture and could significantly increase the likelihood that the Corporation would not be able to make timely payments of debt service on the 2025 Bonds. See "FORM OF CITY BACKUP LEASE" in **APPENDIX D** and "FORM OF CITY SUPPORT AGREEMENT" in **APPENDIX E**. See **APPENDIX L** "INFORMATION CONCERNING THE CITY OF NEW YORK" for information about the City.

The City's Payment Obligations under the City Backup Lease and City Support Agreement Are Subject to the Receipt of Certain Notices.

The City's obligation to make payments under the City Backup Lease and the City Support Agreement are subject to the receipt by the City of certain notices from the Corporation or the Trustee. The Corporation has covenanted to comply with its obligations in order to receive payments under the City Backup Lease and the City Support Agreement but there can no assurance that all such notices will be given in a timely manner. A failure or delay in giving any such notices could adversely affect the Corporation's timely receipt of payments from the City, which could affect the Corporation's ability to make timely payments in respect of the 2025 Bonds.

Real Estate Risks

Revenues are Dependent upon the Performance of the UNDC Properties

The ability of the UNDC Properties to generate sufficient Revenues to pay debt service on the 2025 Bonds depends on the performance by their tenants. A failure by tenants to pay their rent or otherwise perform under their leases can adversely affect the generation of Revenues. The UNDC Properties' primary tenants are the UN and members of the UN Community. Their ability to pay their rent will depend on continued support by their member nations, certain of which have made public

comments reassessing their commitment to the UN. While the UN and the UN Community have demonstrated a long-standing commitment to the UNDC Properties, there can be no assurance that such support will continue at levels sufficient to meet their obligations under their leases.

In addition, the payment of rent by tenants can be adversely affected by deficiencies in the condition or operation of the building they occupy. The operation of the UNDC Properties could be adversely affected by many factors, including the breakdown or failure of equipment or processes, the level of operating costs including fuel and energy costs, the interference with proper operations by governmental controls and requirements, failure to obtain or maintain necessary permits or to meet permit conditions, or other events. The failure or inability to obtain or maintain adequate reserves or insurance for such contingencies may impair the ability of the Corporation to respond in a manner necessary to assure proper continued operations at the UNDC Properties. The occurrence of such events could jeopardize the current leasing or future leasing of the UNDC Properties and thereby materially impair the availability of gross revenues from operations at the UNDC Properties sufficient for the timely payment of the 2025 Bonds.

The value of the UNDC Properties may also be adversely affected by factors that are not within the Corporation's control and which can change over time. Some such factors are general in nature and include national, regional or local economic conditions that directly or indirectly affect commercial real estate, oversupply of competing properties, zoning laws or other governmental rules and policies (including environmental restrictions), retroactive changes in building codes, inflation, labor disruption, and civil disorder, acts of war or of terrorists, acts of God, such as floods or earthquakes, and other factors beyond the control of the Corporation. Other factors include general declines in the New York City leasing market, and the ability of the UNDC Properties to compete against other buildings for tenants.

The Corporation projects that rents payable under the New UN/UNDP Leases and other leases that it anticipates will be sufficient to cover the Corporation's obligations under the Indenture and that, if the UN Leases are not extended following their expiration, rents paid under the City Backup Lease or under new market-rate leases to new tenants, along with Support Payments under the City Support Agreement will be sufficient to cover the Corporation's obligations under the Indenture, although there can be no assurance of that. See "CERTAIN RISK FACTORS — City Appropriation Risk."

Terrorist Attacks Could Adversely Affect the UNDC Properties' Revenues

The ability of the UNDC Properties to generate cash flow may be adversely affected by terrorist attacks. It is impossible to predict whether, or the extent to which, future terrorist activities may occur in the United States and whether or how they may affect the UNDC Properties.

The Occupancy of the UNDC Properties Is Concentrated among Members of the UN Community

The UNDC Properties are intended to serve primarily the UN and the UN Community, who comprise substantially all of its rent-paying tenants. While the location of the UNDP Properties serving the UN Community may insulate the UNDP Properties to some degree from general real estate trends, they are not located within the core office building concentrations within the City. While the UN Community has demonstrated their commitment to the UNDP Properties by renewing their leases over many years there can be no assurance that that will continue beyond the terms of the New UN/UNDP Leases.

Additionally, there can be no assurance that the UN will maintain its current headquarters for the full term of the 2025 Bonds.

If the UN were to leave the City or relocate within the City, or if the UN Community were to determine that proximity to the UN was no longer desirable, the Corporation may have difficulty leasing space to the general business community.

Project Risks

One UN Plaza and Two UN Plaza Are More Than 40 Years Old and Are Undergoing Renovation

The Project contemplates substantial repairs and improvements to One UN Plaza and Two UN Plaza, each of which is more than 40 years old. There are certain common risks when renovating older structures, including without limitation, the discovery of unexpected conditions resulting in higher costs than anticipated. The buildings' age and conditions could also mean increased rehabilitation expenses in the future. The scope of the building-wide and tenant-specific renovations and capital improvements that are part of the Project may be inadequate; costs could be more than has been budgeted and the Project could take longer to complete than anticipated. By entering into a contract with Turner that provides a guaranteed maximum price the Corporation will be transferring some, but not all of these risks to Turner. Reserves set aside for the Corporation's retained risks, contingencies, replacements, surpluses, and operations could prove to be insufficient to fund cost overruns and delays. As discussed below, the Corporation could incur penalties and lost rent in connection with delays. Should any of the foregoing, or any other unforeseen circumstance occur, the Corporation could be forced to utilize reserves to fund overruns. There is no assurance, however, that the Corporation's reserves will be sufficient for all possible circumstances. The City Support Agreement does not cover increased Project costs.

The Guaranteed Maximum Price Is Subject to Certain Limitations

The guaranteed maximum price for the Project from Turner is based on certain qualifications and assumptions that have been reviewed and accepted by the Corporation. If any such qualifications or assumptions proves inaccurate then Turner may be entitled to claim additional compensation and schedule relief. In addition, the guaranteed maximum price is subject to price and or schedule adjustment under certain circumstances, including but not limited to if the Project encounters unknown conditions or delays resulting from certain circumstances beyond Turner's control, including but not limited to abnormally inclement weather, acts of terrorism, war or national conflicts, strikes or work stoppages not caused by Turner or its subcontractors, fire or other casualty not caused by Turner or its subcontractors, embargoes, requirements of homeland security programs, pandemics, suspension of work by the Corporation or the Condominium Board, or acts, omissions or willful misconduct by the Corporation, the Condominium Board, or their respective representatives, agents or advisors, or if there are changes in law, including tariffs. There can be no assurance that the recently enacted tariffs will not result in an increase to the guaranteed maximum price or affect the Corporation's ability to complete the Project within the current Project budget.

Failure to Timely Complete the Project Could Adversely Affect Revenues

Under the New UN/UNDP Leases the Corporation has agreed to undertake the Project but failure to timely complete the work is not an Event of Default under the Indenture. As a result, the Trustee may be unable to exercise any remedies relating to a failure to timely complete the Project absent the subsequent or contemporaneous occurrence of an Event of Default. If the work is not timely completed, the UN and UNDP may each be entitled to certain rent abatements under the New UN/UNDP Leases. While the City Support Agreement may cover a deficiency in Revenues resulting from any such abatements necessary to cover debt service, the City's obligations are subject to appropriation. See "CERTAIN RISK FACTORS — City Appropriation Risk"

The New UN/UNDP Leases Expire Prior to the Maturity Date of the 2025 Bonds

The New UN/UNDP Leases are each for initial terms of 15 years with both renewal rights and contraction rights during their respective terms.

Each lease includes two five-year renewal terms, with rent fixed for the first such renewal term. However, rent for the second renewal term is based on “Fair Market Rent.” “Fair Market Rent” is defined in the New UN/UNDP Leases as the fixed annual rent that a willing lessee would pay, and a willing lessor would accept for the Renewal Premises during the Renewal Term, each party acting prudently and under no compulsion to lease, and taking into account all relevant factors. While commercial rents in the City have historically trended upward, there have also been periods of declining rents and there is no guarantee that Fair Market Rent for a second renewal term will be equal to or greater than the rent under the initial or first renewal term of the New UN/UNDP Leases; as such the rental income received by the Corporation during a second renewal term may be lower than rental income received during the initial or first term. In addition, because of the unique location of the UNDC Properties, rents may not follow trends elsewhere in the City. In the event that Fair Market Rent resulted in Revenues that were not sufficient to pay debt service on the 2025 Bonds, the Corporation could seek Support Payments under the City Support Agreement. See “CERTAIN RISK FACTORS — City Appropriation Risk.”

Even with the exercise of all renewal rights under the New UN/UNDP Leases, they would expire prior to the maturity of the 2025 Bonds and there can be no assurance that UN and UNDP would seek further extensions of the New UN/UNDP Leases. If the New UN/UNDP Leases are not further extended then the space vacated would be leased to the City under the City Backup Lease, subject to the satisfaction of certain conditions therein. See “CERTAIN RISK FACTORS — City Appropriation Risk.”

The UN and UNDP Each Have the Right to Shed Space Under the New UN/UNDP Leases

Under the New UN/UNDP Leases the UN and UNDP each has a one-time right to surrender certain full floors to the Corporation between the 5th and 8th anniversaries of the respective commencement dates thereunder. If either the UN or UNDP exercise such contraction rights, then the number of rentable square feet that they occupy under their respective leases would be reduced, along with the amount of Fixed Rent for which they are responsible and the rental revenue received by the Corporation will be reduced accordingly. Were that to occur the City would take over the space under the City Backup Lease. But see “CERTAIN RISK FACTORS — City Appropriation Risk.”

The UN and UNDP Have Sovereign Immunity and Are Immune to Service of Process

If the UN or UNDP were to fail to pay rent to the Corporation as required by their leases, the principle of sovereign immunity could be asserted by such tenant to delay or prevent the Corporation from enforcing a judgement for rent or evicting such tenant. In addition, neither the UN nor UNDP may be served with legal process – the initial step in starting a lawsuit - unless the UN Secretary General consents. To date the Secretary General has never consented to service of process.

If a sovereign immunity defense were asserted, or if the Corporation were unable to bring a lawsuit to enforce the New UN/UNDP Leases, then the Corporation would likely be unable to collect rent or readily re-let the leased premises, the Corporation's revenues would be correspondingly reduced, and the Corporation could seek Support Payments under the City Support Agreement. See “CERTAIN RISK FACTORS — City Appropriation Risk.”

Forty Percent of Space at One UN Plaza Is Not Currently Leased

The New UN/UNDP Leases comprise substantially all of the commercial space at Two UN Plaza and approximately 60% of the commercial space at One UN Plaza. A total of 120,000 rentable square feet at the two buildings is not yet leased, including approximately 82,000 square feet in One UN Plaza that will be used as Swing Space for UNDP until mid-June 2028, subject to possible extension. The Corporation intends to lease the balance of the space, including the Swing Space when it becomes available. Until the additional space is leased it will not generate revenue to the Corporation. While the Corporation has historically been able to lease vacant space in the UNDC Properties to members of the UN Community, there can be no assurance that the balance of the space will be leased, when any such leases will commence, or the rent that the tenants for such space will pay. A significant delay in renting such space or an inability to achieve rents equal to or in excess of the rent payable under the New UN/UNDP Leases could adversely affect the Corporation's projected revenues.

The Two UN Plaza Ground Lease is Scheduled to Mature in 2079

The Two UN Plaza Ground Lease is set to expire on July 31, 2079 (and is subject to prior termination as provided therein). The Corporation's leasehold interest under the Two UN Plaza Ground Lease is a diminishing asset because the value and marketability of the project diminishes as the end of the lease term nears, which could adversely affect the amount realized in respect of Two UN Plaza through a foreclosure of the Leasehold Mortgages. On the termination of the Two UN Plaza Ground Lease, Two UN Plaza, including building equipment, improvements made to the building, and any alterations or additions will become the property of the Landlord, without payment or offset to the Corporation. The Corporation has an option to purchase the fee interest in Two UN Plaza no later than July 31, 2025, but does not presently intend to exercise it.

Two UN Plaza Rent Re-Sets

The Two UN Plaza Ground Lease provides for rent resets every five years starting August 1, 2025, based on increases in the Consumer Price Index since 2014. There can be no assurance that such rent increases will not materially adversely affect the Corporation's ability to operate the UNDC Properties at the standards required under the New UN/UNDP Leases.

A Default under the Two UN Plaza Ground Lease Could Lead to a Loss of the Corporation's Interest in Two UN Plaza

A default by the Corporation under the Two UN Plaza Ground Lease could result in a termination of the Two UN Plaza Ground Lease in accordance with its terms. If that were to occur then the interests of the Corporation and the City in Two UN Plaza would revert to the Bishop Trading Company and the Corporation would be unable to collect revenues from Two UN Plaza. The Trustee, as a leasehold mortgagee, will be entitled to notice of any defaults under the Two UN Plaza Ground Lease and an opportunity to cure them prior to termination of the Two UN Plaza Ground Lease. In order to do so, however, the Trustee will need to receive timely direction from the holders of the 2025 Bonds and may need to be provided with funds sufficient to carry out the cure. There can be no assurance that the Trustee will receive such direction and funds.

There Is No Guarantee that the Hotel Will Reimburse the Corporation For Its Allocable Costs under the Condominium or the Hotel Sublease, or that The Hotel and the Corporation Will Amicably Resolve Their Disagreement.

The Condominium Board of Managers has previously presented to the Hotel Operator a proposed capital improvements plan relating to the Condominium along with proposed operating and capital

budgets. The Hotel Operator has advised the Board of Managers that it does not approve the entire scope of work or total Condominium capital budget associated with the Project. The Board of Managers and the Corporation are engaged in ongoing discussions with the Hotel Operator about the Project and are evaluating alternatives for addressing elements of the disagreement with the Hotel Operator, including possible negotiation, or arbitration and/or court proceedings pursuant to the Condominium Declaration. While the Hotel Operator has asserted that it will investigate its legal options if a resolution is not reached, the Corporation expects to continue discussions to resolve the disagreement.

Pursuant to the Sublease at Two UN Plaza, the Hotel Operator is also obligated to reimburse the Corporation for certain costs and expenses incurred by the Corporation as sublandlord. To date the Hotel as subtenant has not accepted its entire reimbursement obligation for any Project Expenses under the Sublease. The Corporation has had ongoing discussions with the Hotel Operator about the Project and is evaluating alternatives for addressing disagreements with the Hotel Operator regarding its allocable share of Project expenses. See “HOTEL SUBLEASE”

While the Corporation has reserves such that it anticipates being able to complete the Project pending the resolution of its disagreement with the Hotel Operator, there can be no assurance that if the disagreement is not resolved amicably, there would not be an adverse effect on the implementation of the Project or Corporation’s reserves and finances going forward.

Legal and Regulatory Risks

Litigation May Adversely Affect the Corporation and Its Ability to Meet Its Obligations under the Leasehold Mortgages and Other Security Documents

It is not uncommon for ownership and operation of an office building to result in litigation regarding various matters. Legal proceedings of a type commonly associated with the ordinary course of operating office buildings such as the UNDC Properties are typically covered by liability insurance maintained by the property owner. However, not all eventualities leading to litigation may be covered by insurance. No representation is made that any insurance maintained by the Corporation will be adequate to cover litigation expenses, that litigation will not arise otherwise than from the ordinary course of the Corporation's business, or that any litigation, however arising, will not have a material adverse effect on the Corporation's ability to make its debt service payments for, or on the value of, the 2025 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Insurance” and “— Insurance; Insurance May Not Be Available or Adequate.”

Events of Default Under the New UN/UNDP Leases Could Result in Termination of the Leases and Loss of the Primary Revenues for the 2025 Bonds

Each of the New UN/UNDP Leases is susceptible to termination by the Corporation if the UN or UNDP, as the case may be, defaults in its lease obligations. If that were to occur then the Corporation would lose one or more of its primary sources of revenue. It is likely that the Corporation would not be able to relet the applicable premises without an adverse impact on Revenues absent timely Support Payments under the City Support Agreement. See “CERTAIN RISK FACTORS — City Appropriation Risk.”

Foreclosure May Not Be an Adequate Remedy Following an Event of Default

If the Corporation defaults in payment or performance of its obligations under the Leasehold Mortgages, the Trustee as mortgagee under the Leasehold Mortgages has the right to institute foreclosure proceedings to sell its rights in the mortgaged property at public auction to satisfy the indebtedness. Foreclosure is a legal procedure that allows a lender to enforce its rights and available legal remedies

under a mortgage loan. Foreclosure of a mortgage in the State is generally accomplished by judicial action. Judicial foreclosure in the State is a lengthy process that requires careful compliance with a number of procedural requirements. The Corporation is entitled to present defenses to foreclosure and to challenge the foreclosing lender's compliance with the technical requirements under State law. The delay involved in concluding a foreclosure action could exacerbate a decline in the value of the Corporation's interests in the UNDC Properties and could adversely affect the prospects for recovery from a foreclosure sale of the Corporation's interests in the UNDC Properties. In addition, notwithstanding a mortgagee's strict compliance with the requirements for a judicial foreclosure, there can be no assurance that the foreclosure action will not be stayed at any point by a bankruptcy filing. If such stay were to occur, the cost and time required to realize on the mortgaged property would likely increase. While the Corporation does not presently have the legal ability to become a debtor under the federal bankruptcy code, it may be subject to similar state law proceedings and there can be no assurance that during the term of the 2025 Bonds there will not be a change in law that would allow the Corporation to become a debtor under the federal bankruptcy code.

Foreclosure on a Leasehold Interest Poses Additional Risks

The Corporation's interest in Two UN Plaza includes a leasehold interest under the Two UN Plaza Ground Lease. In addition to complying with the legal requirements applicable to a foreclosure, in order to foreclose on the Corporation's leasehold interest the Trustee will also need to comply with the requirements set forth in the Two UN Plaza Ground Lease. Among other requirements, the foreclosure action must be commenced in a timely fashion and prosecuted with diligence. Once the foreclosure is completed the successful bidder, or, if there are no bidders, the Trustee, must cure any existing defaults under the Two UN Plaza Ground Lease. A failure to comply with the requirements of the Two UN Plaza Ground Lease could result in its termination and the loss of the Corporation's interest as security for the 2025 Bonds. There can be no assurance that the Trustee will receive the necessary and timely direction and funds required to successfully complete a foreclosure under the Two UN Plaza Ground Lease and, if necessary, cure any defaults. In addition, because the term of the Two UN Plaza Ground Lease expires in 2079, there can be no assurance that any bidder at foreclosure will be willing to pay an amount necessary to redeem all of the 2025 Bonds in accordance with the Indenture.

The Enforceability of Assignments of Leases Is Subject to Procedural Requirements under New York Law

In addition to and included as part of the Leasehold Mortgages, the 2025 Bonds will be secured by an unconditional assignment of leases and rents with respect to the UNDC Properties. The Corporation, under the Leasehold Mortgages will unconditionally assign to the Mortgagee, the rents due under all of the Corporation's leases at the UNDC Properties, including the New UN/UNDP Leases, and other documents or instruments evidencing the rents due under such leases until the Bonds have been indefeasibly paid in full. The Assignment of Leases and Rents permits the Trustee to enter in and take possession of the UNDC Properties, to enforce the Leases and to receive and collect all Rents due under the same. The value of the security of an Assignment of Leases and Rents is conditioned on whether there are rents to actually collect. If rents are not being paid, the Trustee may seek a court-appointed receiver to collect rents which may take time, result in additional costs, and further delay the collection of rents.

New York Lien Law: Effect of Failure to Comply

Under the New York Lien Law mechanics' liens filed by contractors, suppliers or others granted lien rights under the Lien Law may take priority over certain mortgages, even if the mortgages were recorded prior to the filing of such mechanics liens. The lien priority of mortgages securing certain construction-related costs may be protected against such subsequently-filed liens if certain requirements

are met. Among the requirements under Section 22 of the Lien Law are the filing of an affidavit setting forth the consideration for the loan and the net amount available for "costs of the improvement" as defined in the Lien Law, application of building loan proceeds solely to costs of the improvement, filing of a building loan contract in the county clerk's office prior to the recordation of the mortgage securing such amount, and filing any modification to the building loan contract within ten days after the execution of any such modification. The failure by the Corporation and the Trustee to comply with the applicable provisions of the New York Lien Law could result in the lien of the Building Loan Mortgage securing a portion of the 2025 Bonds becoming subordinated to mechanics, materialmen and other intervening lienors.

A Default Under the Indenture Could Result in Acceleration of the 2025 Bonds

If an Event of Default under the Indenture occurs then the Trustee may accelerate the Corporation's obligation to pay the 2025 Bonds in full. If that were to occur then (i) there is no assurance that the Corporation would have sufficient funds to redeem the 2025 Bonds in full, and (ii) to the extent that any 2025 Bonds are redeemed there can be no assurance that the proceeds thereof could be reinvested at interest rates comparable to those payable on the 2025 Bonds.

Insurance

Insurance May Not Be Available or Adequate

Although the UNDC Properties will be required to be insured against certain risks, there is a possibility of casualty loss with respect to the UNDC Properties for which insurance proceeds may not be adequate or which may result from risks not covered by insurance. There can be no assurance that the Corporation will in the future be able to comply with requirements to maintain adequate insurance with respect to the UNDC Properties. Any uninsured loss could have a material adverse impact on the amount available to make payments on the 2025 Bonds. As with all real estate, if reconstruction (for example, following fire or other casualty) or any major repair or improvement is required to the damaged property, changes in laws and governmental regulations may be applicable and may materially affect the cost to, or ability and timing of, the Corporation to effect such reconstruction, major repair or improvement. As a result, the amount realized with respect to the UNDC Properties, and the amount available to make payments on the 2025 Bonds, could be reduced. In addition, there can be no assurance that the amount of insurance required or provided would be sufficient to cover damages caused by any casualty, or that such insurance will be commercially available in the future.

Terrorism Insurance for the Corporation May Be Unavailable or Insufficient

Following the September 11, 2001 terrorist attacks in the City and Washington, D.C., many insurance companies eliminated coverage for acts of terrorism from their policies. Without assurance that they could secure financial backup for this potentially uninsurable risk, availability in the insurance market for this type of coverage, especially in major metropolitan areas, became either unavailable, or was offered with very restrictive limits and terms, with prohibitive premiums being requested.

UN and UNDP May Self-Insure

Under the New UN/UNDP Leases the UN and UNDP are obligated to carry certain insurance and to name the Corporation as an additional insured or as a loss payee. Under the terms of the New UN/UNDP Leases the UN and UNDP have the right to meet their insurance obligations through self-insurance. There can be no assurance that their respective self-insurance programs will be adequate.

No Title Insurance

While the Corporation has obtained a title search for One UN Plaza and Two UN Plaza, it will not be obtaining title insurance to cover the Leasehold Mortgages. In the event of any title defect or any defect in the lien of the Leasehold Mortgages there will be no insurance coverage to address it.

Miscellaneous

Potential Conflicts of Interest of the Underwriters and Their Affiliates

The activities and interests of the Underwriters (as defined herein) and their affiliates (collectively, the “Underwriter Entities” See “UNDERWRITING”) may not align with, and may in fact be directly contrary to, those of owners of the 2025 Bonds. The Underwriter Entities are part of global banking, investment banking, securities and investment management firms that provide a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers. These financial instruments include debt and equity securities, currencies, commodities, bank loans, indices, baskets and other products. The Underwriter Entities’ activities include, among other things, executing large block trades and taking long and short positions directly and indirectly, through derivative instruments or otherwise. The securities and instruments in which the Underwriter Entities take positions, or expect to take positions, include obligations, securities and instruments similar to the 2025 Bonds. Market making is an activity where the Underwriter Entities buy and sell on behalf of customers, or for their own account, to satisfy the expected demand of customers. By its nature, market making involves facilitating transactions among market participants that have differing views of securities and instruments. As a result, it should be expected that the Underwriter Entities may take positions that are inconsistent with, or adverse to, the investment objectives of investors in the 2025 Bonds.

As a result of the Underwriter Entities various financial market activities, including acting as a research provider, investment advisor, market maker or principal investor, it should be expected that personnel in various businesses throughout the Underwriter Entities will have and express research or investment views and make recommendations that are inconsistent with, or adverse to, the objectives of investors in the 2025 Bonds.

If any of the Underwriter Entities becomes a holder of any of the 2025 Bonds, through market-making activity or otherwise, any actions that they take in their capacity as an owner of 2025 Bonds, including voting, providing consents or otherwise, will not necessarily be aligned with the interests of other holders of the 2025 Bonds. To the extent an Underwriter Entity makes a market in the 2025 Bonds (which it is under no obligation to do), it would expect to receive income from the spreads between its bid and offer prices for the 2025 Bonds. The price at which an Underwriter Entity may be willing to purchase 2025 Bonds, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the 2025 Bonds and significantly lower than the price at which it may be willing to sell 2025 Bonds.

In addition, the Underwriter Entities will have no obligation to monitor the performance of the 2025 Bonds or the actions of any Bondholder Representative or the Trustee and will have no authority to advise the Bondholder Representative or the Trustee or to direct their actions.

Furthermore, the Underwriter Entities expect that a completed offering will enhance their ability to assist clients and counterparties in the transaction or in related transactions (including assisting clients in additional purchases and sales of the 2025 Bonds and hedging transactions). The Underwriter Entities expect to derive fees and other revenues from these transactions. In addition, participating in a successful

offering and providing related services to clients may enhance the Underwriter Entities' relationships with various parties, facilitate additional business development, and enable them to obtain additional business and generate additional revenue.

In addition, the Underwriter Entities may have ongoing relationships with, render services to, and engage in transactions with the Corporation, and its affiliates, which relationships and transactions may create conflicts of interest between the Underwriter Entities, on the one hand, and the owners of the 2025 Bonds, on the other hand. Each of the foregoing relationships should be considered carefully by potential purchasers before an investment is made in any 2025 Bonds.

Potential Conflicts of Interest of the Construction Consultant

Jones Lang LaSalle Americas, Inc. is the Construction Consultant for the Project, and will be reviewing the plans, specifications, budget, schedule and draw requests relating to improvements to One UN Plaza and Two UN Plaza on behalf of the Trustee under the Indenture. The Corporation has interests that are not always aligned with those of the Trustee under the Indenture. There can be no assurance that these differences in interests will have no impact on the judgment or recommendations of the Construction Consultant.

TAX MATTERS

Federal Income Taxes

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the 2025 Bonds. The summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury Regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. Such authorities may be repealed, revoked, or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those described below. The summary generally addresses 2025 Bonds held as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such 2025 Bonds as a hedge against currency risks or as a position in a "straddle," "hedge," "constructive sale transaction" or "conversion transaction" for tax purposes, or persons whose functional currency is not the United States dollar. It also does not deal with holders other than original purchasers that acquire 2025 Bonds at their initial issue price except where otherwise specifically noted. Potential purchasers of the 2025 Bonds should consult their own tax advisors in determining the federal, state, local, foreign and other tax consequences to them of the purchase, holding and disposition of the 2025 Bonds.

The Corporation has not sought and will not seek any rulings from the Internal Revenue Service with respect to any matter discussed herein. No assurance can be given that the Internal Revenue Service would not assert, or that a court would not sustain, a position contrary to any of the tax characterizations and tax consequences set forth below.

U.S. Holders

As used herein, the term "**U.S. Holder**" means a beneficial owner of 2025 Bonds that is (a) an individual citizen or resident of the United States for federal income tax purposes, (b) a corporation, including an entity treated as a corporation for federal income tax purposes, created or organized in or

under the laws of the United States or any State thereof (including the District of Columbia), (c) an estate whose income is subject to federal income taxation regardless of its source, or (d) a trust if a court within the United States can exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Notwithstanding clause (d) of the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to that date that elect to continue to be treated as United States persons also will be U.S. Holders. In addition, if a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) holds 2025 Bonds, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner in a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) that holds 2025 Bonds, the U.S. Holder is urged to consult its own tax advisor regarding the specific tax consequences of the purchase, ownership and dispositions of the 2025 Bonds.

Taxation of Interest Generally

Interest on the 2025 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code and so will be fully subject to federal income taxation. Purchasers will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such 2025 Bonds. In general, interest paid on the 2025 Bonds and recovery of any accrued original issue discount and market discount will be treated as ordinary income to a bondholder, and after adjustment for the foregoing, principal payments will be treated as a return of capital to the extent of the U.S. Holder's adjusted tax basis in the 2025 Bonds and capital gain to the extent of any excess received over such basis.

Recognition of Income Generally

Section 451(b) of the Code provides that purchasers using an accrual method of accounting for U.S. federal income tax purposes may be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements of such purchaser. In this regard, Treasury Regulations provide that, with the exception of certain fees, the rule in section 451(b) will generally not apply to the timing rules for original issue discount and market discount, or to the timing rules for de minimis original issue discount and market discount. Prospective purchasers of the 2025 Bonds should consult their own tax advisors regarding any potential applicability of these rules and their impact on the timing of the recognition of income related to the 2025 Bonds under the Code.

Original Issue Discount

The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of 2025 Bonds issued with original issue discount (“**Discount Bonds**”). A 2025 Bond will be treated as having been issued with an original issue discount if the excess of its “stated redemption price at maturity” (defined below) over its issue price (defined as the initial offering price to the public at which a substantial amount of the 2025 Bonds of the same maturity have first been sold to the public, excluding bond houses and brokers) equals or exceeds one quarter of one percent of such Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity (or, in the case of an installment obligation, its weighted average maturity).

A 2025 Bond's “stated redemption price at maturity” is the total of all payments provided by the 2025 Bond that are not payments of “qualified stated interest.” Generally, the term “qualified stated interest” includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate or certain floating rates.

In general, the amount of original issue discount includible in income by the initial holder of a Discount Bond is the sum of the “daily portions” of original issue discount with respect to such Discount Bond for each day during the taxable year in which such holder held such Bond. The daily portion of original issue discount on any Discount Bond is determined by allocating to each day in any “accrual period” a ratable portion of the original issue discount allocable to that accrual period.

An accrual period may be of any length, and may vary in length over the term of a Discount Bond, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the difference between (i) the product of the Discount Bond’s adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The “adjusted issue price” of a Discount Bond at the beginning of any accrual period is the sum of the issue price of the Discount Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Discount Bond that were not qualified stated interest payments. Under these rules, holders generally will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Owners utilizing the accrual method of accounting may generally, upon election, include in gross income all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) on a 2025 Bond by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

Market Discount

A holder who purchases a 2025 Bond at a price which includes market discount (i.e., at a purchase price that is less than its adjusted issue price in the hands of an original owner) in excess of a prescribed de minimis amount will be required to recharacterize all or a portion of the gain as ordinary income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such holder will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent and to treat any gain upon sale or other disposition of such 2025 Bond as ordinary income to the extent of any remaining accrued market discount or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such holder on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history of the Tax Reform Act of 1986 will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest.

A holder of a 2025 Bond who acquires such 2025 Bond at a market discount also may be required to defer, until the maturity date of such 2025 Bond or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the holder paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a 2025 Bond in excess of the aggregate amount of interest (including original issue discount) includable in such holder’s gross income for the taxable year with respect to such Bond. The amount of such net interest expense deferred in a taxable year may

not exceed the amount of market discount accrued on the 2025 Bond for the days during the taxable year on which the holder held the 2025 Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the 2025 Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the bondholder elects to include such market discount in income currently as described above.

Bond Premium

A holder of a 2025 Bond who purchases such 2025 Bond at a cost greater than its remaining redemption amount will have amortizable bond premium. If the holder elects to amortize this premium under Section 171 of the Code (which election will apply to all 2025 Bonds held by the holder on the first day of the taxable year to which the election applies and to all 2025 Bonds thereafter acquired by the holder), such a holder must amortize the premium using constant yield principles based on the holder's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable bond premium that is applied to reduce interest payments. Purchasers of 2025 Bonds who acquire such 2025 Bonds at a premium should consult with their own tax advisors with respect to federal, state and local tax consequences of owning such 2025 Bonds.

Surtax on Unearned Income

Section 1411 of the Code generally imposes a tax on the "net investment income" of certain individuals, trusts and estates. Among other items, net investment income generally includes gross income from interest and net gain attributable to the disposition of certain property, less certain deductions. U.S. Holders should consult their own tax advisors regarding the possible implications of this provision in their particular circumstances.

Sale or Redemption of 2025 Bonds

A bondholder's adjusted tax basis for a 2025 Bond is the price such holder pays for the 2025 Bond plus the amount of original issue discount and market discount previously included in income and reduced on account of any payments received on such 2025 Bond other than "qualified stated interest" and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a 2025 Bond, measured by the difference between the amount realized and the bondholder's tax basis as so adjusted, will generally give rise to capital gain or loss if the 2025 Bond is held as a capital asset (except in the case of 2025 Bonds acquired at a market discount, in which case a portion of the gain will be characterized as interest and therefore ordinary income).

If the terms of a 2025 Bond are materially modified, in certain circumstances, a new debt obligation would be deemed "reissued", or created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those related to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. In addition, the defeasance of a 2025 Bond under the defeasance provisions of the Indenture could result in a deemed sale or exchange of such 2025 Bond.

EACH POTENTIAL HOLDER OF 2025 BONDS SHOULD CONSULT ITS OWN TAX ADVISOR CONCERNING (1) THE TREATMENT OF GAIN OR LOSS ON SALE, REDEMPTION OR DEFEASANCE OF THE 2025 BONDS , AND (2) THE CIRCUMSTANCES IN WHICH 2025 BONDS WOULD BE DEEMED REISSUED AND THE LIKELY EFFECTS, IF ANY, OF SUCH REISSUANCE.

Non-U.S. Holders

The following is a general discussion of certain United States federal income tax consequences resulting from the beneficial ownership of 2025 Bonds by a person other than a U.S. Holder, a former United States citizen or resident, or a partnership or entity treated as a partnership for United States federal income tax purposes (a “**Non-U.S. Holder**”).

Subject to the discussion of backup withholding and the Foreign Account Tax Compliance Act (“**FATCA**”), payments of principal by the Corporation or any of its agents (acting in its capacity as agent) to any Non-U.S. Holder will not be subject to federal withholding tax. In the case of payments of interest to any Non-U.S. Holder, however, federal withholding tax will apply unless the Non-U.S. Holder (1) does not own (actually or constructively) 10 percent or more of the voting equity interests of the Corporation, (2) is not a controlled foreign corporation for United States tax purposes that is related to the Corporation (directly or indirectly) through stock ownership, and (3) is not a bank receiving interest in the manner described in Section 881(c)(3)(A) of the Code. In addition, either (1) the Non-U.S. Holder must certify on the applicable IRS Form W-8 (series) (or successor form) to the Corporation, its agents or paying agents or a broker under penalties of perjury that it is not a U.S. person and must provide its name and address, or (2) a securities clearing organization, bank or other financial institution, that holds customers’ securities in the ordinary course of its trade or business and that also holds the 2025 Bonds must certify to the Corporation or its agent under penalties of perjury that such statement on the applicable IRS Form W-8 (series) (or successor form) has been received from the Non-U.S. Holder by it or by another financial institution and must furnish the interest payor with a copy.

Interest payments may also be exempt from federal withholding tax depending on the terms of an existing federal income tax treaty, if any, in force between the U.S. and the resident country of the Non-U.S. Holder. The U.S. has entered into an income tax treaty with a limited number of countries. In addition, the terms of each treaty differ in their treatment of interest and original issue discount payments. Non-U.S. Holders are urged to consult their own tax advisor regarding the specific tax consequences of the receipt of interest payments, including original issue discount. A Non-U.S. Holder that does not qualify for exemption from withholding as described above must provide the Corporation or its agent with documentation as to his, her, or its identity to avoid the U.S. backup withholding tax on the amount allocable to a Non-U.S. Holder. The documentation may require that the Non-U.S. Holder provide a U.S. tax identification number.

If a Non-U.S. Holder is engaged in a trade or business in the United States and interest on a 2025 Bond held by such holder is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed above (provided that such holder timely furnishes the required certification to claim such exemption), may be subject to United States federal income tax on such interest in the same manner as if it were a U.S. Holder. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax (subject to a reduced rate under an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on a 2025 Bond will be included in the earnings and profits of the holder if the interest is effectively connected with the conduct by the holder of a trade or business in the United States. Such a holder must provide the payor with a properly executed IRS Form W-8ECI (or successor form) to claim an exemption from United States federal withholding tax.

Generally, any capital gain realized on the sale, exchange, retirement or other disposition of a 2025 Bond by a Non-U.S. Holder will not be subject to United States federal income or withholding taxes if (1) the gain is not effectively connected with a United States trade or business of the Non-U.S. Holder, and (2) in the case of an individual, the Non-U.S. Holder is not present in the United States for 183 days

or more in the taxable year of the sale, exchange, retirement or other disposition, and certain other conditions are met.

For newly issued or reissued obligations, such as the 2025 Bonds, FATCA imposes U.S. withholding tax on interest payments and, for dispositions after December 31, 2018, gross proceeds of the sale of the 2025 Bonds paid to certain foreign financial institutions (which is broadly defined for this purpose to generally include non-U.S. investment funds) and certain other non-U.S. entities if certain disclosure and due diligence requirements related to U.S. accounts or ownership are not satisfied, unless an exemption applies. An intergovernmental agreement between the United States and an applicable non-U.S. country may modify these requirements. In any event, bondholders or beneficial owners of the 2025 Bonds shall have no recourse against the Corporation, nor will the Corporation be obligated to pay any additional amounts to “gross up” payments to such persons, as a result of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges with respect to payments in respect of the 2025 Bonds. However, it should be noted that on December 13, 2018, the IRS issued Proposed Treasury Regulation Section 1.1473-1(a)(1) which proposes to remove gross proceeds from the definition of “withholdable payment” for this purpose.

Non-U.S. Holders should consult their own tax advisors with respect to the possible applicability of federal withholding and other taxes upon income realized in respect of the 2025 Bonds.

Information Reporting and Backup Withholding

For each calendar year in which the 2025 Bonds are outstanding, the Corporation, its agents or paying agents or a broker is required to provide the IRS with certain information, including a holder’s name, address and taxpayer identification number (either the holder’s Social Security number or its employer identification number, as the case may be), the aggregate amount of principal and interest paid to that holder during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to certain U.S. Holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts and annuities.

If a U.S. Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or under-reports its tax liability, the Corporation, its agents or paying agents or a broker may be required to make “backup” withholding of tax on each payment of interest or principal on the 2025 Bonds. This backup withholding is not an additional tax and may be credited against the U.S. Holder’s federal income tax liability, provided that the U.S. Holder furnishes the required information to the IRS.

Under current Treasury Regulations, backup withholding and information reporting will not apply to payments of interest made by the Corporation, its agents (in their capacity as such) or paying agents or a broker to a Non-U.S. Holder if such holder has provided the required certification that it is not a U.S. person (as set forth in the second paragraph under “Non-U.S. Holders” above), or has otherwise established an exemption (provided that neither the Corporation nor its agent has actual knowledge that the holder is a U.S. person or that the conditions of an exemption are not in fact satisfied).

Payments of the proceeds from the sale of a 2025 Bond to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting (but not backup withholding) may apply to those payments if the broker is one of the following: (i) a U.S. person; (ii) a controlled foreign corporation for U.S. tax purposes; (iii) a foreign person 50-percent or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a United States trade or business; or (iv) a foreign partnership with certain connections to the United States.

Payment of the proceeds from a sale of a 2025 Bond to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its taxpayer identification number or otherwise establishes an exemption from information reporting and backup withholding.

The preceding federal income tax discussion is included for general information only and may not be applicable depending upon a holder's particular situation. Owners should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the 2025 Bonds, including the tax consequences under federal, state, local, foreign and other tax laws and the possible effects of changes in those tax laws.

State Taxes

Interest on the 2025 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York. Bond Counsel expresses no opinion as to other State of New York, The City of New York or local tax consequences arising with respect to the 2025 Bonds nor as to the taxability of the 2025 Bonds or the income therefrom under the laws of any jurisdiction other than the State of New York.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an impact on the inclusion in gross income of interest on the 2025 Bonds for federal or state income tax purposes, and thus on the value or marketability of the 2025 Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or otherwise. It is not possible to predict whether any such legislative or administrative actions or court decisions will occur or have an adverse impact on the federal or state income tax treatment of holders of the 2025 Bonds. Prospective purchasers of the 2025 Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the 2025 Bonds.

IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE 2025 BONDS.

CONSIDERATIONS FOR ERISA AND OTHER U.S. BENEFIT PLAN INVESTORS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I of ERISA ("ERISA Plans"). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, other than governmental and church plans as defined herein ("Qualified Retirement Plans"), and on Individual Retirement Accounts ("IRAs") described in Section 408(b) of the Code (collectively, "Tax-Favored Plans"). Certain employee benefit plans such as governmental plans (as defined in Section 3(32) of ERISA) ("Governmental Plans"), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) ("Church Plans"), are not subject to ERISA requirements. Additionally, such Governmental and Church Plans are not subject to the requirements of Section 4975 of the Code but may be subject to applicable federal, state or local law ("Similar Laws") which is, to a material extent, similar to the foregoing provisions of ERISA or the Code. Accordingly,

assets of such plans may be invested in the 2025 Bonds without regard to the ERISA and Code considerations described below, subject to the provisions of Similar Laws.

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, "Benefit Plans") and persons who have certain specified relationships to the Benefit Plans ("Parties In Interest" or "Disqualified Persons"), unless a statutory or administrative exemption is available. The definitions of "Party in Interest" and "Disqualified Person" are expansive. While other entities may be encompassed by these definitions, they include, most notably: (1) fiduciary with respect to a plan; (2) a person providing services to a plan; (3) an employer or employee organization any of whose employees or members are covered by the plan; and (4) the owner of an IRA. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory or administrative exemption is available. Without an exemption an IRA owner may disqualify his or her IRA.

Certain transactions involving the purchase, holding or transfer of the 2025 Bonds might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of the Corporation were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor, as modified by Section 3(42) of ERISA (the "Plan Assets Regulation"), the assets of the Corporation would be treated as plan assets of a Benefit Plan for the purposes of ERISA and Section 4975 only of the Code if the Benefit Plan acquires an "equity interest" in the Corporation and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there is little guidance on this matter, it appears that the 2025 Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. This determination is based upon the traditional debt features of the 2025 Bonds, including the reasonable expectation of purchasers of Bonds that the 2025 Bonds will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features.

However, without regard to whether the 2025 Bonds are treated as an equity interest for such purposes, though, the acquisition or holding of Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the Corporation or the Trustee, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan.

Most notably, ERISA and the Code generally prohibit the lending of money or other extension of credit between an ERISA Plan or Tax-Favored Plan and a Party in Interest or a Disqualified Person, and the acquisition of any of the 2025 Bonds by a Benefit Plan would involve the lending of money or extension of credit by the Benefit Plan. In such a case, however, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a 2025 Bond. Included among these exemptions are: Prohibited Transaction Class Exemption ("PTCE") 96-23, regarding transactions effected by certain "in-house asset managers"; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by "insurance company general accounts"; PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by "qualified professional asset managers." Further, the statutory exemption in Section 408(b)(17) of

ERISA and Section 4975(d)(20) of the Code provides for an exemption for transactions involving “adequate consideration” with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate’s) status as a service provider to the Benefit Plan involved and none of whom is a fiduciary with respect to the Benefit Plan assets involved (or an affiliate of such a fiduciary). There can be no assurance that any exemption will be available with respect to any particular transaction involving the 2025 Bonds, or that, if available, the exemption would cover all possible prohibited transactions.

By acquiring a 2025 Bond (or interest therein), each purchaser and transferee (and if the purchaser or transferee is a plan, its fiduciary) is deemed to represent and warrant that either (i) it is not acquiring the 2025 Bond (or interest therein) with the assets of a Benefit Plan, Governmental plan or Church plan; or (ii) the acquisition and holding of the 2025 Bond (or interest therein) will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any Similar Laws. A purchaser or transferee who acquires 2025 Bonds with assets of a Benefit Plan represents that such purchaser or transferee has considered the fiduciary requirements of ERISA, the Code or Similar Laws and has consulted with counsel with regard to the purchase or transfer.

Because the Corporation, the Trustee, Underwriters or any of their respective affiliates may receive certain benefits in connection with the sale of the 2025 Bonds, the purchase of the 2025 Bonds using plan assets of a Benefit Plan over which any of such parties has investment authority or provides investment advice for a direct or indirect fee may be deemed to be a violation of the prohibited transaction rules of ERISA or Section 4975 of the Code or Similar Laws for which no exemption may be available. Accordingly, any investor considering a purchase of 2025 Bonds using plan assets of a Benefit Plan should consult with its counsel if the Corporation, the Trustee or the Underwriters or any of their respective affiliates has investment authority or provides investment advice for a direct or indirect fee with respect to such assets or is an employer maintaining or contributing to the Benefit Plan.

Any ERISA Plan fiduciary considering whether to purchase the 2025 Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code. Persons responsible for investing the assets of Government or Church Plans should seek similar counsel with respect to the applicability of Similar Laws.

LEGALITY OF 2025 BONDS FOR INVESTMENT AND DEPOSIT

Pursuant to the Act: (1) the 2025 Bonds are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries in the State, and all other persons whatsoever who may be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them; and (2) the 2025 Bonds may be deposited with and will be received by all public officers and bodies of the State and all municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized.

INDEPENDENT AUDITORS

The financial statements of the Corporation as of December 31, 2024 and 2023 and for the years then ended, included in **APPENDIX G** to this Official Statement have been audited by CBIZ CPAs, P.C., independent accountants, as stated in their report which is also included in **APPENDIX G** hereto.

CERTAIN LEGAL MATTERS

Legal matters with regard to the authorization, issuance and sale of the 2025 Bonds are subject to the approval of legality by Nixon Peabody LLP, New York, New York, Bond Counsel, which opinion will be substantially in the form set forth in **APPENDIX H** hereto. Certain legal matters will be passed upon for the Corporation by BurgherGray LLP, New York, New York, as counsel to the Corporation. Certain legal matters with respect to the City will be passed upon by the City's Corporation Counsel. Certain legal matters with respect to the City's disclosure in **APPENDIX L** to this Official Statement will be passed upon by Orrick, Herrington & Sutcliffe LLP, New York, New York, Special Disclosure Counsel to the City. Certain legal matters will be passed upon for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, New York, New York.

FINANCIAL ADVISORS

The Corporation has retained NW Financial Group LLC, as Municipal Advisor in connection with the structuring and offering of the 2025 Bonds. The Corporation has retained Forsyth Street Advisors LLC, as advisor in connection with certain real estate matters relating to the structuring and offering of the 2025 Bonds. The advisors are not obligated to undertake, and none of them has undertaken to make, an independent verification of or to assume responsibility for, the accuracy, completeness or fairness of the information contained in the Official Statement.

CONTINUING DISCLOSURE

The Corporation's Continuing Disclosure Obligation

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule"), the Corporation has undertaken in the First Supplemental Indenture for the benefit of the beneficial owners of 2025 Bonds to provide certain annual disclosure within 185 days after the end of each fiscal year, and to provide certain event disclosure in a timely manner. The annual disclosure will be filed with the Municipal Securities Rulemaking Board and will include the Corporation's audited financial statements and an update of the tables under "THE NEW LEASES" and an update of Schedule 2 with historical debt service coverage for each completed Bond Year as of such date using the same line items as set forth in Schedule 2. See "CORPORATION CONTINUING DISCLOSURE UNDERTAKING" in **APPENDIX I**.

In 2020 the Corporation filed its Annual Report two days late. The foregoing description of non-compliance by the Corporation with its continuing disclosure undertakings should not be construed as an acknowledgement by the Corporation that such non-compliance was material.

The City's Continuing Disclosure Obligation

In order to assist the Underwriters in complying with the Rule, the City will enter into the continuing disclosure undertaking set forth under the caption "CITY CONTINUING DISCLOSURE AGREEMENT" in **APPENDIX J**.

RATINGS

The 2025 Bonds have received ratings of “AA-” by S&P with a Stable outlook and “AA-” by Fitch with a Stable outlook, respectively. An explanation concerning such ratings and other information may be obtained from the rating agencies furnishing the same. There is no assurance that such ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by any such rating agencies, if in their respective judgments, circumstances so warrant. A revision or withdrawal of any such rating could have an effect on the market price of the 2025 Bonds.

UNDERWRITING

Goldman Sachs & Co. LLC and Siebert Williams Shank & Co., LLC (collectively, the “Underwriters”) have agreed, subject to the approval of certain legal matters by counsel and to certain other conditions, to purchase the 2025 Bonds. The Underwriters have agreed to purchase all of the 2025 Bonds if any of the 2025 Bonds are purchased. The Underwriters will purchase the 2025 Bonds from the Corporation at a price of \$361,801,123.30, which represents the par amount of the 2025 Bonds, less underwriters’ discount of \$3,198,876.70. After the 2025 Bonds are released for sale to the public, the offering price and other selling terms may from time to time be varied by the Underwriters, and the 2025 Bonds may be offered and sold to certain dealers (including dealers depositing such 2025 Bonds into investment accounts) and others at prices lower than the public offering prices set forth on the cover page hereof.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Corporation and to persons and entities with relationships with the Corporation, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

UNITED NATIONS DEVELOPMENT CORPORATION

By /s/ Robert Cole

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SCHEDULE 1

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SCHEDULE 2

PROJECTED CASH FLOWS FOR 2025-2055 (BOND YEAR)

	Year 1 (Ending) 8/1/2025⁽²⁾	Year 2 8/1/2026	Year 3 8/1/2027	Year 4 8/1/2028	Year 5 8/1/2029	Year 6 8/1/2030	Year 7 8/1/2031	Year 8 8/1/32
One UN Plaza Rents	\$3,807,998	\$15,254,085	\$15,364,158	\$16,250,538	\$17,557,889	\$17,806,072	\$23,866,795	\$23,943,461
Two UN Plaza Rents	\$5,875,314	\$23,520,405	\$23,633,649	\$23,977,863	\$24,061,037	\$24,647,191	\$26,334,490	\$26,372,316
Three UN Plaza Rents and Fees	\$1,757,129	\$6,442,806						
Operating Expense Reimbursements	\$1,611,350	\$4,951,546	\$2,763,320	\$2,210,428	\$2,508,554	\$2,864,831	\$3,472,411	\$4,160,120
Total Operating Revenues	\$13,051,791	\$50,168,842	\$41,761,127	\$42,438,829	\$44,127,479	\$45,318,094	\$53,673,695	\$54,475,898
Hotel: Real Estate Tax, Ground Rent, and City Rent Reimbursements ⁽¹⁾	\$388,000	\$1,570,107	\$1,601,509	\$1,633,539	\$1,666,210	\$1,699,534	\$1,733,525	\$1,768,195
Indenture Interest Earnings	\$3,544,130	\$11,510,269	\$7,535,295	\$4,510,294	\$2,802,258	\$2,107,579	\$1,195,896	\$679,114
Total Revenues Available for Debt Service	\$16,983,922	\$63,249,217	\$50,897,931	\$48,582,662	\$48,595,947	\$49,125,207	\$56,603,116	\$56,923,207
Total Debt Service	\$(5,959,545)	\$(23,576,220)	\$(23,576,220)	\$(23,576,220)	\$(23,576,220)	\$(23,576,220)	\$(24,421,220)	\$(24,552,390)
Net Revenues available after Debt Service	\$11,024,377	\$39,672,997	\$27,321,711	\$25,006,442	\$25,019,727	\$25,548,987	\$32,181,895	\$32,370,817
DSCR (Total Pledged Revenues/Total Debt Service)	2.85	2.68	2.16	2.06	2.06	2.08	2.32	2.32

Notes

⁽¹⁾ The Hotel Operator is obligated under the Hotel Sublease to reimburse the Corporation for its allocated share of property tax for the land under Two UN Plaza, rental payments under the Two UN Plaza Ground Lease, and City Rent.

⁽²⁾ Partial year.

	Year 9 8/1/2033	Year 10 8/1/2034	Year 11 8/1/2035	Year12 8/1/2036	Year 13 8/1/2037	Year 14 8/1/2038	Year 15 8/1/2039	Year 16 8/1/40
One UN Plaza Rents	\$24,033,929	\$24,108,443	\$24,648,686	\$26,118,523	\$26,198,774	\$26,280,980	\$26,365,455	\$26,915,566
Two UN Plaza Rents	\$26,411,532	\$26,451,585	\$27,042,309	\$28,734,296	\$28,777,009	\$28,820,716	\$28,865,417	\$29,456,871
Three UN Plaza Rents and Fees								
Operating Expense Reimbursements	\$4,773,214	\$5,356,448	\$5,959,779	\$6,583,954	\$7,229,751	\$7,897,977	\$8,589,476	\$9,305,124
Total Operating Revenues	\$55,218,675	\$55,916,477	\$57,650,774	\$61,436,774	\$62,205,535	\$62,999,674	\$63,820,349	\$65,677,561
Hotel: Real Estate Tax, Ground Rent, and City Rent Reimbursements ⁽¹⁾	\$1,803,559	\$1,839,630	\$1,876,423	\$1,913,951	\$1,952,230	\$1,991,275	\$2,031,100	\$2,071,722
Indenture Interest Earnings	\$679,114	\$679,114	\$679,114	\$679,114	\$679,114	\$679,114	\$679,114	\$679,114
Total Revenues Available for Debt Service	\$57,701,348	\$58,435,221	\$60,206,311	\$64,029,839	\$64,836,879	\$65,670,063	\$66,530,563	\$68,428,397
Total Debt Service	\$(24,888,463)	\$(25,202,168)	\$(25,967,970)	\$(27,619,769)	\$(27,967,005)	\$(28,325,211)	\$(28,695,254)	\$(29,514,484)
Net Revenues available after Debt Service	\$32,812,885	\$33,233,053	\$34,238,342	\$36,410,070	\$36,869,874	\$37,344,852	\$37,835,308	\$38,913,913
DSCR (Total Pledged Revenues/Total Debt Service)	2.32	2.32	2.32	2.32	2.32	2.32	2.32	2.32

Notes

⁽¹⁾ The Hotel Operator is obligated under the Hotel Sublease to reimburse the Corporation for its allocated share of property tax for the land under Two UN Plaza, rental payments under the Two UN Plaza Ground Lease, and City Rent.

	Year 17 8/1/2041	Year 18 8/1/2042	Year 19 8/1/2043	Year 20 8/1/2044	Year 21 8/1/2045	Year 22 8/1/2046	Year 23 8/1/2047	Year 24 8/1/48
One UN Plaza Rents	\$28,394,868	\$28,485,744	\$28,578,963	\$28,674,389	\$29,235,863	\$30,726,813	\$30,829,470	\$30,934,984
Two UN Plaza Rents	\$31,140,680	\$31,188,678	\$31,237,868	\$31,288,132	\$31,885,267	\$33,575,076	\$33,629,114	\$33,684,501
Three UN Plaza Rents and Fees								
Operating Expense Reimbursements	\$10,045,834	\$10,812,557	\$11,606,283	\$12,428,046	\$13,278,920	\$14,160,026	\$15,072,533	\$16,017,659
Total Operating Revenues	\$69,581,383	\$70,486,979	\$71,423,114	\$72,390,566	\$74,400,050	\$78,461,914	\$79,531,116	\$80,637,144
Hotel: Real Estate Tax, Ground Rent, and City Rent Reimbursements ⁽¹⁾	\$2,113,157	\$2,155,420	\$2,198,528	\$2,242,499	\$2,287,349	\$2,333,096	\$2,379,758	\$2,427,353
Indenture Interest Earnings	\$679,114	\$679,114	\$679,114	\$679,114	\$679,114	\$679,114	\$679,114	\$679,114
Total Revenues Available for Debt Service	\$72,373,653	\$73,321,512	\$74,300,757	\$75,312,179	\$77,366,512	\$81,474,124	\$82,589,988	\$83,743,610
Total Debt Service	\$(31,216,446)	\$(31,627,225)	\$(32,049,376)	\$(32,487,671)	\$(33,371,226)	\$(35,145,728)	\$(35,625,490)	\$(36,123,388)
Net Revenues available after Debt Service	\$41,157,207	\$41,694,287	\$42,251,380	\$42,824,508	\$43,995,286	\$46,328,396	\$46,964,498	\$47,620,222
DSCR (Total Pledged Revenues/Total Debt Service)	2.32	2.32	2.32	2.32	2.32	2.32	2.32	2.32

Notes

⁽¹⁾ The Hotel Operator is obligated under the Hotel Sublease to reimburse the Corporation for its allocated share of property tax for the land under Two UN Plaza, rental payments under the Two UN Plaza Ground Lease, and City Rent.

	Year 25 8/1/2049	Year 26 8/1/2050	Year 27 8/1/2051	Year 28 8/1/2052	Year 29 8/1/2053	Year 30 8/1/2054	Year 31 8/1/2055
One UN Plaza Rents	\$31,043,112	\$31,617,339	\$33,121,653	\$33,245,896	\$33,370,986	\$33,528,222	\$25,270,253
Two UN Plaza Rents	\$33,741,241	\$34,344,932	\$36,041,297	\$36,138,596	\$36,226,412	\$36,291,932	\$27,263,265
Three UN Plaza Rents and Fees							
Operating Expense Reimbursements	\$16,996,673	\$18,010,901	\$19,061,724	\$20,150,583	\$21,278,982	\$22,448,490	\$17,617,396
Total Operating Revenues	\$81,781,026	\$83,973,173	\$88,224,674	\$89,535,076	\$90,876,379	\$92,268,643	\$70,150,915
Hotel: Real Estate Tax, Ground Rent, and City Rent Reimbursements ⁽¹⁾	\$2,475,900	\$2,525,418	\$2,575,926	\$2,627,445	\$2,679,994	\$2,733,594	\$2,085,457
Indenture Interest Earnings	\$679,114	\$679,114	\$679,114	\$679,114	\$679,114	\$679,114	\$509,335
Total Revenues Available for Debt Service	\$84,936,040	\$87,177,704	\$91,479,714	\$92,841,634	\$94,235,487	\$95,681,351	\$72,745,707
Total Debt Service	\$(36,636,253)	\$(37,605,588)	\$(39,463,483)	\$(40,051,311)	\$(40,652,046)	\$(41,274,250)	\$(31,380,179)
Net Revenues available after Debt Service	\$48,299,787	\$49,572,117	\$52,016,231	\$52,790,324	\$53,583,441	\$54,407,100	\$41,365,528
DSCR (Total Pledged Revenues/Total Debt Service)	2.32	2.32	2.32	2.32	2.32	2.32	2.32

Notes

⁽¹⁾ The Hotel Operator is obligated under the Hotel Sublease to reimburse the Corporation for its allocated share of property tax for the land under Two UN Plaza, rental payments under the Two UN Plaza Ground Lease, and City Rent.

APPENDIX A

FORM OF INDENTURE OF TRUST

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INDENTURE OF TRUST

By and Between

UNITED NATIONS DEVELOPMENT CORPORATION

and

THE BANK OF NEW YORK MELLON
as Trustee

Dated as of _____, 2025

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This INDENTURE OF TRUST dated as of _____, 2025 (as the same may be amended and supplemented in accordance with its terms, this “Indenture”), by and between the United Nations Development Corporation (the “Corporation”), a body corporate and politic constituting a public benefit corporation organized and existing under the laws of the State of New York (the “State”) and The Bank of New York Mellon (the “Trustee”), a New York banking corporation organized and operating under the laws of the State (capitalized terms used herein shall have the respective meanings assigned to such terms throughout this Indenture).

RECITALS OF THE CORPORATION

1. In 1947, the legislature of the State of New York provided for a transfer of real property in The City of New York (the “City”) to the United Nations in order to establish facilities for the United Nations, and, in 1968, the legislature of the State of New York further determined in the Act defined herein that a public purpose would be served by the coordinated development of facilities in the area contiguous to the United Nations area in response to the expanded programs and activities of the United Nations.

2. The Corporation was established by the Act as a body corporate and politic constituting a public benefit corporation to formulate and implement plans for the coordinated development of such contiguous area (defined in the Act as the “United Nations Development District”).

3. In (i) 1973, the Corporation financed the acquisition and construction of the One U.N. Plaza Building; and (ii) 1981, the Corporation provided short-term financing for the acquisition and construction of the Two U.N. Plaza Building.

4. The Corporation leases the One U.N. Plaza Building and the site of the One U.N. Plaza Building from the City. The site of the Two U.N. Plaza Building is leased by the Corporation from a private party. Title to the Two U.N. Plaza Building constructed thereon was transferred by the Corporation to the City and leased back to the Corporation.

5. In 2025, the Corporation determined to issue its bonds entitled “United Nations Development Corporation 2025 Bonds, Series A (Federally Taxable)” (the “2025 Bonds”) and to enter into this Indenture and the First Supplemental Indenture of Trust (the “First Supplement”) to be applied, together with other available funds of the Corporation, to (i) finance certain Capital Costs of the Project, (ii) finance certain reserves, (iii) retire the Prior Bonds, and (iv) pay Costs of Issuance.

7. This Indenture, as it may hereafter be amended and supplemented, the First Supplement and the issuance of the 2025 Bonds have been authorized by the Series Resolution.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the covenants contained herein and the purchase of the Bonds by the Owners thereof, it is mutually covenanted and agreed:

GRANTING CLAUSES AND PLEDGE

That the Corporation, in order to secure the payment of the Principal Installments and Redemption Price of, and interest on the Bonds and the performance by the Corporation of the covenants contained in this Indenture, does hereby grant, bargain, sell, convey, transfer, pledge, grant a security interest in, and assign unto the Trustee, as Trustee, the following:

1. Subject only to the rights of the Corporation to apply, or cause the Trustee to apply, amounts held under this Indenture, in accordance with the provisions of this Indenture, all Revenues, and all Funds and Accounts held by the Trustee under this Indenture (other than Funds and Accounts established by Supplemental Indenture that by their specific terms are not pledged to the payment of the Principal Installments and Redemption Price of, and interest on the Bonds), and money and investments of money held in such Funds or Accounts (not including the Operating Fund), which pledge is expressly subject to the application of such amounts permitted hereunder, including, without limitation, Section 402 respecting withdrawals from the Project Fund for application to Capital Costs and Sections 503 and 504 respecting withdrawals from the Revenue Fund for deposit in the Operating Fund,

2. Subject to the following sentence, all rights and interest of the Corporation in or to the Basic Annual Rent (as defined in the Backup Lease) payable by the City under the Backup Lease, including the representations, warranties and covenants of the City therein related to payment of Basic Annual Rent. Except as specifically provided herein, this grant 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 but not requiring payment of Basic Annual Rent by the City, or (ii) any right or power reserved to the Corporation pursuant to the Act or other law; nor does this grant preclude the Corporation's enforcement of its rights under and pursuant to the Backup Lease for the benefit of the Owners as provided herein,

3. Subject to the following sentence, all rights and interest of the Corporation in, to and under the Support Agreement including, without limitation, the payment by the City of the Support Payments and the representations, warranties and covenants of the City therein related to the payment of the Support Payments and the present and continuing right to make claim for, collect and receive the Support Payments thereunder. Except as specifically provided herein, this grant 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 but not requiring the payment of the Support Payments by the City, or (ii) any right or power reserved to the Corporation pursuant to the Act or other law; nor does this grant preclude the Corporation's enforcement of its rights under and pursuant to the Support Agreement for the benefit of the Owners as provided herein, and

4. Any and all other property or security interest therein, of every name and nature, including any Bond Insurance Policy, from time to time hereafter by delivery or by writing of any kind granted, bargained, sold, conveyed, transferred, mortgaged, pledged and assigned as and for additional security hereunder, by the Corporation or by anyone in its behalf pursuant to this Indenture or with its consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof,

CREATION OF TRUST

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

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all Owners of the Bonds issued under and secured by this Indenture and the other Security Documents, or any of them, to secure the payment of Principal Installments, any applicable redemption premium and interest on the Bonds; provided, however, further that if the Corporation shall pay, or cause to be paid, the Principal Installments of the Bonds and interest due or to become due thereon, at the times and in the manner provided in the Bonds or Section 1001 of this Indenture and shall pay to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments or provision therefor this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture to be and remain in full force and effect.

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

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 101 Definitions. In this Indenture (and in addition to terms defined elsewhere herein), unless a different meaning clearly appears from the context:

“1934 Act” means the Securities Exchange Act of 1934, as amended.

“2019 Bonds” means the \$42,085,000 United Nations Development Corporation 2019 Refunding Bonds, Series A issued under the 2019 Indenture.

“2019 Indenture” means the Indenture of Trust dated as of December 1, 1992, and amended and restated on October 29, 2009 and further amended and restated on April 11, 2019.

“2025 Bonds” means the \$_____ United Nations Development Corporation 2025 Bonds, Series A (Federally Taxable) issued under this Indenture and the First Supplement.

“Accountant” means a firm of independent public accountants at the time engaged by the Corporation to perform and carry out the functions of the Accountant under this Indenture.

“Accountant’s Certificate” means a certificate signed by the Accountant.

“Act” means Chapter 345, Laws of New York, 1968, as amended.

“Additional Bonds” means any of the Bonds authorized to be issued under this Indenture after the date of the First Supplement.

“Assignments of Project Documents” means, collectively, (i) the Collateral Assignment of Project Documents, dated as of even date herewith, from the Corporation to the Trustee, and (ii) the Collateral Assignment of Project Documents, dated as of even date herewith, from One United Nations Plaza Condominium, a Condominium established pursuant to Article 9-B of the Real Property Law of the State of New York to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with this Indenture.

“Assignment of Leases and Rents” means the Assignment of Leases and Rents, dated as of even date herewith, from the Corporation to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with this Indenture.

“Authorized Officer” means the Chief Executive Officer and any other person authorized by (i) resolution of the Corporation or (ii) written designation of the Chief Executive Officer to act as an Authorized Officer hereunder, which authorization shall be filed with the Trustee.

“Backup Lease” means the Lease to the City from the Corporation dated as of March 14, 2025, for portions of the One U.N. Plaza Building and portions of the Two U.N. Plaza

Building, as described therein, as amended and supplemented in accordance therewith and with this Indenture.

“Beneficial Owner” means, so long as the Bonds are registered in the name of a Securities Depository, the persons for whom the Participants acquire and hold interests in the Bonds as nominees and register such interests with the Securities Depository. At any time when there is no Securities Depository holding the Bonds, the Beneficial Owners shall be the registered owners.

“Bishop Lease” means the lease agreement, dated as of August 1, 1980, between the Bishop Trading Company and the Corporation under which the Corporation acquired a leasehold interest in the Two U.N. Plaza Building Site, as amended and supplemented in accordance therewith and with this Indenture.

“Board” means the Board of Directors of the Corporation.

“Bond Insurance Policy” means a municipal bond insurance policy, if any, issued by a Bond Insurer that guarantees payment of Principal Installments of and interest on Insured Bonds.

“Bond Insurer” means the provider of a Bond Insurance Policy, if any, specified in a Supplemental Indenture.

“Bonds” means the 2025 Bonds and any Additional Bonds hereafter issued, if any.

“Bondholder Representative” has the meaning set forth in Section 1012 hereof.

“Building Loan Agreement” means the Building Loan Agreement, dated as of even date herewith, between the Corporation and the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and herewith.

“Business Day” means any day other than (A) a Saturday or Sunday or legal holiday or a day on which banking entities in the city or cities in which the Principal Office of the Trustee is located are authorized by law or executive order to close, or (B) a day on which the New York Stock Exchange is closed.

“Capital Costs,” as applied to the UNDC Properties or any part thereof, means all costs of acquisition, construction, reconstruction, rehabilitation or improvement (including repair, alteration, renovation and restoration) and all obligations and expenses and all items of cost which are set forth in Section 403.

“Capitalized Interest Account” means any account within the Debt Service Fund created and so designated by Section 501.

“Cede & Co.” means Cede & Co., the nominee of DTC as Securities Depository for any Bonds, and any successor nominee of DTC as such Securities Depository.

“Certificate of Completion” means a certificate signed by the Chief Executive Officer and filed with the Trustee, the Corporation and, in the event an Event of Default has occurred and is continuing, the Bondholder Representative, if any, stating (i) that acquisition, construction, reconstruction, rehabilitation or improvement (including repair, alteration, renovation and restoration) of the Project or any part thereof is substantially complete and that the amount necessary to be retained in the Project Fund to pay Capital Costs may be determined without substantial uncertainty after consideration of any claims against the Corporation and fixed prices under signed agreements with contractors, (ii) the amount to be so retained and (iii) that, to the best of the Chief Executive Officer’s knowledge, there are no uncanceled mechanics’, laborers’, contractors’ or materialmen’s liens filed.

“Chief Executive Officer” means the President, the Executive Vice President or another Authorized Officer, from time to time, of the Corporation charged with the management and administration of the Project.

“City” means The City of New York, New York.

“City Leases” means the One and Three U.N. Plaza City Lease and the Two U.N. Plaza City Lease.

“City Rent Fund” means the special Fund created and so designated by Section 501.

“Closing Date” means _____, 2025.

“Corporation” means the United Nations Development Corporation, a body corporate and politic constituting a public benefit corporation, organized and existing under the Act, located in the Borough of Manhattan, City and State of New York, and its successors and assigns.

“Corporation Purposes Reserve Fund” means the Fund created and so designated by Section 501.

“Costs of Issuance” means items of expense payable by the Corporation with respect to the authorization, sale and issuance of Bonds, which items of expense shall include, but not be limited to, underwriting fees, auditors’ or accountants’ fees, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee or any other Fiduciary, legal fees and charges, professional consultants’ fees, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Bonds, governmental charges, costs and expenses of refunding and other costs, charges and fees in connection with the foregoing.

“Counsel’s Opinion” means an opinion signed by any attorney or firm of attorneys (who may be counsel to the Corporation or an attorney employed by the Corporation or an attorney or firm of attorneys retained by the Corporation in other connections) licensed to practice in the state in which she, he or it maintains an office and selected by the Corporation and acceptable to the Trustee.

“Dealer” means a broker, dealer or municipal securities dealer.

“Debt Service Fund” means the special Fund created and so designated by Section 501.

“Debt Service Requirement” means at any date the sum of the Principal Requirement and the Interest Requirement, and for any period the sum of the Principal Requirements on all Principal Installment Dates and the Interest Requirements on all Interest Payment Dates in that period.

“Declaration” means the Declaration of Condominium Establishing a Plan of Condominium Ownership of Premises Located at 787-793 First Avenue, New York, New York.

“Defeasance Obligations” means Investment Obligations described in clause (i) or (ii) of the definition thereof.

“Deficiency Notice” has the meaning set forth in in Section 2.2(a) of the Support Agreement.

“Depository” means the Trustee or any bank or banks or trust company or trust companies duly authorized under the laws of the United States of America or the State to engage in the banking business within the State and designated by the Board by resolution as a depository of money under the provisions of this Indenture.

“Development Plan” means the plan for the development of the United Nations Development District, as approved by the Board of Estimate of the City on August 21, 1980, with such revisions and amendments thereto as from time to time shall be made pursuant to the Act.

“Direct Obligations” 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 and 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 (not including “CATS,” “TIGRS” and “TRS”), and excluding investments in mutual funds and unit investment trusts.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns. References herein to DTC shall include any nominee of DTC in whose name any Bonds are then registered.

“DTC Blanket Representation Letter” means the Representation Letter with the Securities Depository dated April 4, 2019.

“Event of Default” has the meaning given thereto in Section 802.

“Fiduciary” means the Trustee, Depository or Paying Agent.

“First Supplement” means the First Supplemental Indenture of Trust, dated as of even date herewith, by and between the Corporation and the Trustee pursuant to which the 2025 Bonds are authorized to be issued.

“Fiscal Year” means the period of twelve calendar months ending with December 31 of any year, which fiscal year may be amended from time to time by resolution of the Corporation.

“Fitch” means Fitch, Inc.; references to Fitch are effective so long as Fitch is a Rating Agency.

The term “Fund” or “Account” means, as used herein, a Fund or Account created by or pursuant to this Indenture.

The word “including” means “including without limitation.”

“Insurance Consultant” means the firm or person at the time engaged as the Insurance Consultant by the Corporation under this Indenture to perform and carry out the duties imposed on the Insurance Consultant by this Indenture.

“Insured Bonds” means Bonds issued hereunder and designated as Insured Bonds in the Supplemental Indenture authorizing the issuance thereof.

“Interest Payment Date” means each date on which interest on the Bonds is required to be paid pursuant to Section 302.

“Interest Requirement” means, as of any date of calculation, the amount equal to any unpaid interest that previously became due, plus the amount of interest that is due (if calculated on an Interest Payment Date) or will on the next succeeding Interest Payment Date become due on the Bonds (not including, for purposes of any transfer from the Revenue Fund, interest for the payment of which provision has been made from sources other than Revenues).

“Investment Obligation” means any of the following which at the time are legal investments for fiduciaries under the laws of the State for the money held hereunder and under the Act for the Corporation and in which such money is then proposed to be invested:

- (i) obligations to which the faith and credit of the United States of America are pledged (including receipts evidencing ownership of future payments of interest on and principal of on obligations of the United States of America),

- (ii) obligations the payment of the principal of and interest on which are unconditionally guaranteed by the United States of America,

- (iii) direct and general obligations of any state within the United States or of any political subdivision of the State, provided that at the time of purchase such obligations are rated in either of the two highest rating categories (without regard to gradations within a category) by Moody’s,

- (iv) bonds, debentures, participation certificates or notes issued by any of the following: Federal Financing Bank, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal National Mortgage Association, Export-Import Bank of the United States, Student Loan Marketing Association, Farmers Home

Administration, Farm Credit Administration, Federal Home Loan Mortgage Corporation, Resolution Funding Corporation or Government National Mortgage Association,

(v) Public Housing Bonds, Temporary Notes or Preliminary Loan Notes fully secured by contracts with the United States,

(vi) Certificates of deposit, whether negotiable or non-negotiable, issued by any bank, trust company or national banking association (including the Trustee), provided that such certificates of deposit shall be continuously secured by direct obligations of or obligations guaranteed by the United States of America which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Trustee (or any correspondent bank or trust company designated by the Trustee), as custodian, by the bank, trust company or national banking association issuing such certificates of deposit, and the bank, trust company or national banking association issuing each such certificate of deposit required to be so secured shall furnish the Trustee with an undertaking satisfactory to it that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount at least equal to the principal amount of each such certificate of deposit and the Trustee shall be entitled to rely on each such undertaking,

(vii) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States or any national banking association or any government securities dealer which is listed as reporting to the market statistics division of the Federal Reserve Bank of New York, other than the Trustee, and having a capital stock and surplus of no less than \$500,000,000, provided that: (a) such Agreements are limited to terms of no more than fifteen (15) days; (b) no more than the lesser of 10% of all Funds or \$5,000,000 may be invested in such agreements, with the amount of all funds calculated as of the time of investment; and (c) such agreements are secured by any one or more of the securities described in clauses (i) through (iv) above,

(viii) obligations of any corporation organized under the laws of any state in the United States maturing within two hundred seventy days, rated (unless Rating Confirmation is received) by at least two of Moody's, S&P and Fitch as P-1, A-1+ and F-1, respectively,

(ix) bankers' acceptances maturing within ninety days which are eligible for purchase in the open market by federal reserve banks and which have been accepted by a bank or trust company, which is organized under the laws of the United States or of any state thereof and which is a member of the federal reserve system, rated (unless Rating Confirmation is received) by at least two of Moody's, S&P and Fitch as P-1, A-1+ and F-1, respectively, and

(x) no-load money market mutual funds registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, provided that such funds are limited to investments in obligations issued or guaranteed by the United States of America or in obligations of agencies or instrumentalities of the United States of America where the payment of principal and

interest is guaranteed by the United States of America (including contracts for the sale and repurchase of any such obligations).

“Issue Date” means with respect to any particular Series of Bonds, the date specified and determined in accordance with each Supplemental Indenture authorizing the issuance of such Series of Bonds, except as otherwise provided in Section 304.

“Liquidity Reserve Fund” means the special Fund created and so designated by Section 501.

“Liquidity Reserve Fund Requirement” shall mean, as of the date of issuance of any Series Bonds and on each subsequent Interest Payment Date, 1.50 times the greatest sum of the Principal Requirements on all Principal Installment Dates and the Interest Requirements on all Interest Payment Dates for all Bonds Outstanding in the then current or any future Fiscal Year but excluding any amounts past due.

“Moody’s” means Moody’s Investors Service; references to Moody’s are effective so long as Moody’s is a Rating Agency.

“Mortgage” means, collectively, (i) the Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Acquisition Loan), (ii) the Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Building Loan), and (iii) the Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Project Loan) each dated as of even date herewith, from the Corporation to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with this Indenture.

“Mortgaged Property” has the meaning specified in the Mortgage.

“Non-Payment Event” has the meaning set forth in the Support Agreement.

“Notice of Non-Completion” has the meaning set forth in Section 402(C).

“Officer’s Certificate” means a certificate signed by an Authorized Officer.

“Official Statement” means an official statement, offering circular or memorandum, or other offering document prepared in connection with the offering, sale and issuance of Bonds of a Series.

“One and Three U.N. Plaza City Lease” means the lease agreement, dated August 1, 1972, by and between the City and the Corporation respecting the One U.N. Plaza Building, which also provides the Corporation with certain leasehold interests respecting Three U.N. Plaza, as amended (i) to the date of the First Supplement and, unless the context otherwise requires, (ii) thereafter as permitted by this Indenture.

“One U.N. Plaza Building” means the Office Unit and Common Elements attributable to the One U.N. Plaza Building Site under (and as defined in) the Declaration, together

with related facilities, fixtures, equipment and furnishings and any additions, alterations or improvements.

“One U.N. Plaza Building Site” means the site of the One U.N. Plaza Building more fully described in Exhibit A-1 hereto.

“One U.N. Plaza Project” means those certain building-wide and tenant specific renovations, capital improvements, tenant improvement allowances and tenant incentives being financed with the proceeds of the 2025 Bonds and available funds of the Corporation, including, without limitation, those described in the UNDP Lease.

“Operating Expenses” for any period means the reasonable and necessary current expenses incurred, or, in the reasonable judgment of the Corporation to be incurred, during such period by the Corporation for the maintenance, repair, operation and administration of the UNDC Properties, or any part thereof, and shall include, without limiting the generality of the foregoing except as set forth below, such items of expense as:

- (i) all ordinary and usual expenses of maintenance, repair, operation and administration of the UNDC Properties, including required payments to the board of managers under the Declaration, and rental payments under the Bishop Lease;

- (ii) wages, salaries and pension expenses, operating expenses not annually recurring, premiums for insurance and all administrative, accounting, legal, architectural and engineering expenses relating to the maintenance, repair and operation of the UNDC Properties;

- (iii) fees, expenses and disbursements of the Trustee, the Paying Agents, Depositaries, the Real Estate Consultant, the Insurance Consultant and the Accountant, and legal expenses;

- (iv) taxes, excises, assessments or other levies, however described, lawfully levied, assessed or imposed by any taxing authority on or against the UNDC Properties, or the Corporation with respect to the UNDC Properties;

- (v) payment of Costs of Issuance with respect to Bonds not otherwise provided for under this Indenture;

- (vi) fees and expenses related to a Bond Insurance Policy or any credit and liquidity support and transactions in connection with variable-rate bonds; and

- (vii) any other expenses of maintenance, repair, operation or administration required or permitted to be paid by or on behalf of the Corporation with respect to the UNDC Properties or under the provisions of the United Nations Lease, the UNDP Lease, the UNICEF Lease, this Indenture or by law;

but shall not include Principal Installments of or interest or redemption premium on Bonds, or any allowance for depreciation, or any amounts for which money is on deposit in the Project Fund or the Renewal and Replacement Fund, or the Net Annual Rent, Base Rent or Additional Rent payable

to the City under City Leases, or any amounts in the City Backup Lease Rental Reserve Fund to be established under the Two U.N. Plaza City Lease.

“Operating Fund” means the special Fund created and so designated by Section 501.

“Outstanding,” when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being delivered except (a) any Bond cancelled by the Trustee, or delivered to the Trustee by the Corporation or by any other Fiduciary for cancellation, (b) any Bond for the payment or redemption of which either (i) money, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, or (ii) Investment Obligations or money, in the amounts, of the maturities and otherwise as defined, described and required under the provisions of Paragraph (C) of Section 1001, shall have theretofore been deposited with one or more of the Fiduciaries in trust (whether upon or prior to maturity or the redemption date of such Bond) and, except in the case of a Bond to be paid at maturity, of which notice of redemption shall have been given or provided for in accordance with Article VII, (c) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to Sections 307, 310 or 312 and (d) for purposes of any consent or other action to be taken by the Owners of a majority in principal amount or specified percentage of Bonds hereunder, Bonds held by or for the account of the Corporation.

“Owner” or any similar term, when used with reference to a Bond or Bonds, means the registered owner of any Outstanding Bond or Bonds; provided that with respect to any Series of Bonds which is insured by a Bond Insurance Policy, the term “Owner” for purposes of all consents, directions, and notices provided for in this Indenture and any applicable Supplemental Indenture, means the issuer of such Bond Insurance Policy as long as such policy issuer or credit provider has not defaulted under its policy; provided further that unless it is actually the Beneficial Owner of the Bonds in respect of which consent is requested, the policy issuer or credit provider shall not have the power to act on behalf of the registered Owners of any Bonds to consent to changes that (a) extend the stated maturity of or time for paying the interest on such Bonds, (b) reduce the principal amount of, purchase price for, or redemption premium or rate of interest payable on such Bonds, or (c) result in a privilege or priority of any Bond over any other Bond.

“Participant” means the participating underwriters, securities brokers or dealers, banks, trust companies, closing corporations or other persons for which the Securities Depository holds the Bonds.

“Paying Agent” means any paying agent for Bonds appointed by or pursuant to Section 902, and its successor or successors and any other corporation or association which may at the time be substituted in its place pursuant to this Indenture.

“Principal Installment” means, as of any date of calculation, an amount of money equal to the sum of (a) the principal amount of Outstanding Bonds which mature on a single future date, reduced by the aggregate principal amount of such Outstanding Bonds which would before said future date cease to be Outstanding by reason, but only by reason, of the application in accordance with this Indenture of Sinking Fund Installments before said future date, and (b) the amount of any Sinking Fund Installment required to be paid on said future date.

“Principal Installment Date” means each date on which a Principal Installment is required to be made.

“Principal Office,” when used with respect to a Fiduciary, means the principal office, or corporate trust, or principal trust office of such Fiduciary situated in the city in which such Fiduciary is described as being located.

“Principal Requirement” means, as of any date of calculation and with respect to the Bonds Outstanding on said date of calculation, the amount of money equal to any unpaid Principal Installment that previously became due, plus the Principal Installment then due (if calculated on a Principal Installment Date) or to become due on the Bonds on the next succeeding Principal Installment Date.

“Prior Bonds” means the 2019 Bonds and the Prior Lien Bonds.

“Prior Lien Bonds” means the following bonds previously issued by the Corporation: (i) the \$287,500 United Nations Development Corporation Special Obligation Bond of 1978, and (ii) the \$1,250,000 United Nations Development Corporation Special Obligation Bond of 1980.

“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 X.

“Project” means collectively the One U.N. Plaza Project and the Two U.N. Plaza Project, excluding property and interests disposed of by the Corporation from time to time as permitted under this Indenture.

“Project Area” means the area described in Exhibits A-1, A-2 and A-3 attached to this Indenture.

“Project Completion Date” means the date the Certificate of Completion is filed with the Trustee in accordance with this Indenture.

“Project Fund” means the special Fund created and so designated by Section 401.

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

“Rating Confirmation” means a written notice from each Rating Agency that its rating on the Bonds will not be suspended, withdrawn or reduced in Rating Category solely as a result of action proposed to be taken by the Corporation hereunder.

“Real Estate Consultant” means the firm or person at the time engaged as the Real Estate Consultant by the Corporation under this Indenture to perform and carry out the duties imposed on the Real Estate Consultant by this Indenture.

“Record Date” means the close of business on the 15th day of the calendar month next preceding a particular Interest Payment Date, or such other date as provided pursuant to Section 309.

“Redemption Fund” means the special Fund created and so designated by Section 501.

“Redemption Price” when used with respect to a Bond or portion thereof, means the principal amount of such Bond or portion plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with its terms pursuant to this Indenture.

“Renewal and Replacement Fund” means the special Fund created and so designated by Section 501.

“Renewal and Replacement Requirement” means the amount recommended to be deposited in the Renewal and Replacement Fund for any 12-month period by the Chief Executive Officer pursuant to Section 610.

“Revenue Fund” means the special fund created and so designated by Section 501.

“Revenues” for any period means all gross receipts, proceeds, revenues, income and other money derived by the Corporation and its successors and assigns during such period from or in connection with the UNDC Properties, or any part thereof, and excluding any money authorized to be deposited to the credit of the Project Fund unless an Event of Default has occurred, and excluding Support Payments and also revenues and proceeds described in the following clauses (i) and (ii) to the extent that such revenues and proceeds are directed by this Indenture to be deposited to a specific Fund or Account other than the Revenue Fund; and Revenues shall include, without limiting the generality of the foregoing:

- (i) revenues derived from the ownership of any interest in or the operation, lease, mortgage, sale or transfer of the UNDC Properties, or any part thereof;
- (ii) condemnation, foreclosure under the Mortgage (or any other mortgage) or insurance proceeds in connection with the UNDC Properties, or any part thereof;
- (iii) payments derived from any other contract rights (excluding Support Payments), whether now or hereafter owned, vested or held with respect to the UNDC Properties, or any part thereof, and all gifts, grants, bequests, donations and contributions made for or in connection with the UNDC Properties, or any part thereof; and
- (iv) all investment income received with respect to any Funds held by the Trustee under Section 501.

“Rule” means, when used in relation to any particular Series of Bonds, Rule 15c2-12 of the SEC under the 1934 Act as in effect and applicable to such Series of Bonds.

“S&P” means S&P Global Ratings; references to S&P are effective so long as S&P is a Rating Agency.

“SEC” means the Securities and Exchange Commission.

“Security Documents” means, collectively this Indenture, the Mortgage, the Building Loan Agreement, the Assignment of Leases and Rents, the Assignments of Project Documents, the Backup Lease and the Support Agreement.

“Securities Depository” means (subject to any applicable Series Resolution or Supplemental Indenture) DTC, or if (i) DTC or another then incumbent securities depository resigns from its functions as securities depository of such Bonds, or (ii) the Corporation discontinues use of DTC or another then incumbent securities depository pursuant to Section 315(B) of this Indenture, then any other securities depository selected by the Corporation that agrees to follow the procedures required to be followed by a securities depository in connection with any of the Bonds.

“Serial Bonds” means the Bonds other than Term Bonds.

“Series,” when used with respect to less than all of the Bonds, means and refers to all of the Bonds delivered on original issuance in a simultaneous transaction, regardless of variations in maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds pursuant to Sections 307, 310 or 312, provided that Bonds otherwise delivered on original issuance in a simultaneous transaction shall constitute different Series as set forth in the Series Resolution or Supplemental Indenture relating thereto.

“Series Resolution” means a resolution adopted by the Corporation and becoming effective in accordance with the terms hereof, which resolution, among other things, authorizes the execution of this Indenture and the First Supplement.

“Sinking Fund Installment” means the amount of money required by a Supplemental Indenture to be paid by the Corporation toward the retirement of any particular Term Bonds prior to their respective stated maturities.

“State” means the State of New York.

“Superior Instrument” means any document or instrument to which the Corporation’s interest in any portion of the Project may be subject from time to time, including without limitation the Bishop Lease, condominium declarations with respect to portions of the UNDC Properties, and the terms of any other declaration, covenant or agreement allocating rights and obligations between the owners and tenants of portions of the UNDC Properties, including as the same relate to the owner of any condominium unit under the Declaration, in whole or in part.

“Supplemental Indenture” means an agreement by and between the Corporation and the Trustee that is supplementary to this Indenture, which agreement may, among other things,

amend, modify or otherwise revise this Indenture or may authorize the issuance of Bonds of a Series.

“Support Agreement” means the Support Agreement, dated as of March 14, 2025, by and between the City and the Corporation, as from time to time amended and supplemented in accordance therewith and herewith.

“Support Event” means the occurrence of an event or circumstance that causes or is projected by the Corporation to cause Revenues to be insufficient to make the transfers to the Debt Service Fund required herein.

“Support Payments” means the payments required to be made by the City pursuant to Article II of the Support Agreement.

“Term Bonds” means the Bonds as so designated in a Supplemental Indenture.

“Three U.N. Plaza Building” means the building in the Project Area conforming to the Act, the Development Plan and certain plans and specifications therefor, comprising a multi-story building located on the Three U.N. Plaza Building Site known as Three United Nations Plaza, including office space and all other facilities, fixtures, equipment and furnishings related thereto and any additions, alterations or improvements.

“Three U.N. Plaza Building Site” means the property more fully described in Exhibit A-3 hereto.

“Transferred Interest” means the Corporation’s interest in certain hotel space and facilities that was disposed of by the Corporation in 1997.

“Trustee” means The Bank of New York Mellon, and its successor or successors and any other corporation or association which may at any time be substituted in its place pursuant to this Indenture.

“Two U.N. Plaza Building” means the building in the Project Area conforming to the Act, the Development Plan and certain plans and specifications therefor, comprising a multi-story building located on the Two U.N. Plaza Building Site, including office space, access to other buildings, certain retail and community facilities and all other facilities, fixtures, equipment and furnishings related thereto and any additions, alterations or improvements, but excluding the Transferred Interest.

“Two U.N. Plaza Building Site” means the property more fully described in Exhibit A-2 hereto.

“Two U.N. Plaza City Lease” means the lease agreement, dated as of May 8, 1981, by and between the City and the Corporation respecting the Two U.N. Plaza Building, as amended (i) to the date of the First Supplement and, unless the context otherwise requires, (ii) thereafter as permitted by this Indenture.

“Two U.N. Plaza Project” means those certain building-wide and tenant specific renovations, capital improvements, tenant improvement allowances and tenant incentives being financed with the proceeds of the 2025 Bonds and available funds of the Corporation, including, without limitation, those described in the United Nations Lease.

“Undertaking” shall have the meaning given to it in Section 605(F).

“UNDC Properties” means the One U.N. Plaza Building, the Two U.N. Plaza Building and the Three U.N. Plaza Building (until the Three U.N. Plaza Building is transferred to UNICEF or the United Nations upon the expiration of the UNICEF Lease), including the premises that are the subject of the United Nations Lease and the UNDP Lease as of the date of execution and delivery thereof.

“UNDP” means the United Nations Development Programme.

“UNDP Lease” means that certain lease agreement, dated as of February 3, 2025, by and between UNDP and the Corporation, as amended thereafter as permitted by this Indenture.

“UNICEF Lease” means that certain lease agreement, dated as of August 13, 1984, by and between UNICEF and the Corporation, as amended thereafter as permitted by this Indenture.

“United Nations” means the international organization of governments known as the United Nations established June 26, 1945, including the organs and specialized and other agencies and subsidiary bodies thereof.

“United Nations Lease” means that certain lease agreement, dated as of February 3, 2025, by and between the United Nations and the Corporation as amended thereafter as permitted by this Indenture.

Section 102 Interpretation. The following principles of interpretation shall apply to this Indenture:

(a) Articles and Sections mentioned by number only are the respective Articles and Sections of this Indenture so numbered;

(b) The terms “herein”, “hereunder”, “hereby”, “hereto”, “hereof”, and any similar terms, refer to this Indenture; the term “heretofore” means before the date of the First Supplement and the term “hereafter” means after the date of the First Supplement;

(c) Words importing the masculine gender include the feminine and neuter genders;

(d) Words importing the maturity of payment of a Bond do not include or connote the becoming due of such Bond upon redemption thereof prior to maturity pursuant to this Indenture or the payment of the Redemption Price thereof;

(e) Words importing persons include firms, associations, partnerships (including limited partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons, and include successors and assigns;

(f) Words importing the singular number include the plural number, and vice versa.

(g) Any captions, titles or headings preceding the text of any Article or Section herein and any table of contents or index attached to this Indenture or any copy thereof are solely for convenience of reference and shall not constitute part of this Indenture or affect its meaning, construction or effect; and

(i) If any one or more of the provisions, covenants, or agreements in this Indenture on the part of the Corporation or any Fiduciary to be performed should be contrary to law, then such provision or provisions, covenant or covenants, agreement or agreements shall be deemed separable from the remaining provisions, covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture or of the Bonds.

ARTICLE II

AUTHORIZATION OF BONDS

Section 201 Issuance of Bonds. (A) The 2025 Bonds shall be issued in accordance with the terms of the First Supplement. Additional Bonds may be authorized to be issued under this Indenture on a parity with any previously issued Bonds pursuant to this Indenture, and shall be secured by the lien and security interests granted by this Indenture and the other Security Documents. Bonds may be issued for the following and for no other purposes:

(1) 2025 Bonds issued for the purpose of paying or providing for the payment of the Outstanding Prior Bonds;

(2) Bonds to provide sufficient money as determined by resolution of the Board to be necessary or desirable to pay Capital Costs relating to the UNDC Properties or any part thereof, including, without limitation, the Project, to the extent that the Board by resolution shall find it necessary or desirable for the continued efficient, economical and businesslike operation of the UNDC Properties, or any part thereof;

(3) In the case of refunding Bonds, Additional Bonds to provide sufficient money as determined by resolution of the Board to be necessary or desirable to refund Outstanding Bonds.

(B) The Trustee shall not authenticate or deliver any Bonds of a Series unless it has received the following:

(1) a copy of the applicable Series Resolution and Supplemental Indenture certified by the Secretary or an Assistant Secretary of the Corporation;

(2) in the case of the 2025 Bonds, the Backup Lease and the Support Agreement, and, in the case of Additional Bonds (other than Bonds issued pursuant to Section 201(a)(3)), an amendment or supplement to the Support Agreement that provides for the payment by the City of Support Payments sufficient to provide for the payment of debt service on all Bonds to be Outstanding after the issuance of such Additional Bonds, and, in each case, on the date of the issuance of such Bonds, there shall be deposited into, or withdrawn from, the Liquidity Reserve Fund an amount sufficient to bring the amount on deposit therein to equal the Liquidity Reserve Fund Requirement;

(3) a Counsel's Opinion to the effect that this Indenture and the Supplemental Indenture relating to the Bonds has been duly authorized, executed and delivered and that the Bonds are validly issued;

(4) in the case of all Bonds other than the 2025 Bonds, an Officer's Certificate to the effect that notice of the proposed issuance of the Bonds has been given to the Rating Agencies;

(5) an Officer's Certificate requesting the authentication by the Trustee of the Bonds of such Series in a specified aggregate principal amount; and

(6) an original executed counterpart of all Security Documents, and with respect to any Additional Bonds, the Corporation shall enter into an amendment to each Security Document with the Trustee.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 301 Date of Bonds. Each Bond shall be dated as of, and bear interest from, its Issue Date.

Section 302 Interest Payment Dates; Computation of Interest. Interest on each Bond shall be payable on such dates as shall be determined by the applicable Supplemental Indenture authorizing the issuance of such Bond. Unless otherwise provided in such Supplemental Indenture, interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Section 303 Principal Installment Date. The date when each Principal Installment with respect to a Bond is payable shall be determined by the applicable Supplemental Indenture authorizing the issuance of such Bond.

Section 304 Medium of Payment; Form and Date. (A) The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(B) The Bonds of each Series shall be issued only in the form of fully registered Bonds without coupons, as more fully specified by or pursuant to the Supplemental Indenture authorizing the issuance of such Bonds.

(C) Bonds of each Series issued prior to the first Interest Payment Date thereof shall be dated as of the date specified in the Supplemental Indenture authorizing the issuance of such Bonds. Bonds issued on or subsequent to the first Interest Payment Date thereof shall be dated as of the date of the Interest Payment Date next preceding the date of delivery thereof, unless such date of delivery shall be an Interest Payment Date, in which case they shall be dated as of such date of delivery; provided, however, that if, as shown by the records of the Trustee, interest on the Bonds of any Series shall be in default, the Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange shall be dated as of the date to which interest has been paid in full on the Bonds surrendered.

Section 305 Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be determined by the Corporation prior to the delivery thereof.

Section 306 Execution. The Bonds shall be executed in the name of the Corporation by the manual or facsimile signature of its Executive Vice President or other Authorized Officer and attested by the manual or facsimile signature of the Treasurer or Secretary of the Corporation and its official seal (or a facsimile thereof) shall be thereunto affixed, imprinted, impressed, engraved or otherwise reproduced, or in such other manner as may be required by law. In case any one or more of the members, officers or employees of the Corporation who shall have signed or sealed any of the Bonds or whose signature appears on any of the Bonds shall cease to be such member, officer or employee before the Bonds so signed and sealed shall have been actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds or whose signature appears on any of the Bonds had not ceased to hold such offices or be so employed until such delivery. Any Bond of a Series may be signed and sealed on behalf of the Corporation by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or employment by the Corporation, although at the date of the Bonds of such Series such persons may not have been so authorized or have held such office or employment.

Section 307 Exchange of Bonds. Bonds, upon surrender thereof at the Principal Office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or such owner's attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series and maturity of any other authorized denominations.

Section 308 Negotiability, Transfer and Registry. All the Bonds issued under this Indenture shall be negotiable as provided in the Act, subject to the provisions for registration and transfer contained in this Indenture and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Corporation shall maintain and keep, at the Principal Office of the Trustee, books for the registration and transfer of Bonds; and, upon presentation thereof for such purpose at said office, the Corporation shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Trustee may prescribe, any Bond entitled to registration or transfer. So long as any of the Bonds remain Outstanding, the Corporation shall make all necessary provisions to permit the exchange of Bonds at the Principal Office of the Trustee.

Section 309 Payment of Principal and Interest. So long as all of any Series of Bonds are registered in the name of DTC or its successor as Securities Depository, the interest on and the principal or Redemption Price, if any, of all such Bonds shall be payable in immediately available funds from the Trustee to DTC or its successor as Securities Depository for such Bonds. If any of such Bonds shall no longer be registered in the name of DTC or any successor Securities Depository, the principal or Redemption Price, if any, of all Bonds shall be payable at the Principal Office of the Trustee, and payment of the interest on each Bond shall be made by the Trustee on each Interest Payment Date to the person appearing on the registration books of the Corporation as the registered owner thereof, by check or draft mailed to such registered owner at the owner's address as it appears on such registration books as of the applicable Record Date; provided that, with respect to overdue interest or interest payable on redemption of Bonds other than on an Interest Payment Date or interest on any overdue amount, the Trustee may establish a special record date. The special record date may be not more than 20 days before the date set for payment. The Trustee will mail or cause to be mailed notice of a special record date to the Owners at least 10 days before the special record date. The Trustee will promptly certify to the Corporation that it has mailed or caused to be mailed such notice to all Owners, and such certificate will be conclusive evidence that such notice was given in the manner required hereby. Payment of the principal of all Bonds shall be made upon the presentation and surrender of such Bonds as the same shall become due and payable. The Trustee may enter into alternative payment procedures (including payment by wire transfer) in accordance with Section 914.

Section 310 Transfer of Bonds. (A) Except in the case of transfers pursuant to Section 705, each Bond shall be transferable only upon the books of the Corporation, which shall be kept for that purpose at the Principal Office of the Trustee, by the registered owner thereof in person or by such owner's attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such owner's duly authorized attorney. Upon the transfer of any Bond other than pursuant to Section 705, the Corporation shall issue in the name of the transferee a new registered Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond.

(B) The Corporation and any Fiduciary may deem and treat the person in whose name any Outstanding Bond shall be registered upon the books of the Corporation as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon such owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Corporation nor any Fiduciary shall be affected by any notice to the contrary. The Corporation agrees to indemnify and save harmless any Fiduciary or any agent of any Fiduciary from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

Section 311 Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Corporation shall execute and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled. For every such exchange or transfer of Bonds, whether temporary or definitive, the Corporation or the Trustee may make a charge

sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. The Trustee may, but shall not be obligated to, make any such exchange or transfer of Bonds of any Series in the case of any proposed redemption of Bonds of such Series, after Bonds to be redeemed have been selected.

Section 312 Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Corporation shall execute and the Trustee, at the direction of the Corporation, shall authenticate and deliver a new Bond of like Series, maturity and principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Corporation and the Trustee evidence satisfactory to them that such Bond has been destroyed, stolen or lost, and proof of ownership thereof and upon furnishing the Corporation and the Trustee with indemnity satisfactory to the Corporation and the Trustee and complying with such other reasonable regulations as the Corporation and the Trustee may prescribe and paying such expenses as the Corporation and the Trustee may incur in connection therewith. All Bonds so surrendered to the Trustee shall be cancelled by it and evidence of such cancellation shall be given to the Corporation. The Trustee shall confirm the issuance of substitute Bonds to the Corporation and Paying Agents.

Section 313 Preparation of Definitive Bonds: Temporary Bonds. (A) Until the definitive Bonds of any Series are prepared in such definitive form as may be provided by a Supplemental Indenture, the Corporation may execute, in the same manner as is provided in Section 306, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more temporary Bonds, substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Corporation, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Corporation at its own expense shall prepare and execute and the Trustee shall authenticate and, upon the surrender of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds, without charge to the Owner thereof, deliver in exchange therefor, at the Principal Office of the Trustee, definitive registered Bonds, of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Indenture and a Series Resolution.

(B) All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall be forthwith cancelled and destroyed by the Trustee.

Section 314 Authentication of Bonds. (A) Each Bond shall bear thereon a certificate of authentication, substantially in the following form, duly completed by insertion of the distinguishing designation of the Series of which such Bond is a part and manually executed by or on behalf of the Trustee:

CERTIFICATE OF AUTHENTICATION

This bond is one of the 20__ Bonds described in the within-mentioned Indenture and is one of the 20__ Bonds, Series __ [(Federally Taxable)] of the United Nations Development Corporation.

THE BANK OF NEW YORK MELLON

By: _____
Authorized Officer

(B) Only such Bonds as shall bear thereon such certificate of authentication, duly executed, shall be entitled to any security, right or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose unless such certificate of authentication upon such Bond shall have been duly executed by or on behalf of the Trustee. Such certificate of authentication by the Trustee upon any Bond executed as herein provided on behalf of the Corporation shall be conclusive and the only evidence that the Bond so authenticated has been duly authenticated and delivered under this Indenture and that the Owner thereof is entitled to the benefit of this Indenture. The Trustee shall keep complete and accurate records of the Bonds authenticated and delivered by it as aforesaid, and, upon request of the Corporation, such records shall be open to the inspection of the Corporation.

Section 315 Securities Depositories.

(A) Immobilized Bonds. Unless otherwise provided by the applicable Supplemental Indenture, the Bonds of a Series, 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 315(B). Unless and until Bonds of a Series have been issued to Owners other than DTC:

(1) the Corporation and each Fiduciary, except to the extent specifically provided by a Supplemental Indenture, 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, consents, instructions or directions hereunder) as the sole Owner of such Bonds;

(2) neither the Trustee nor the Corporation shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records maintained by the Trustee as being an Owner of a Bond, with respect to: the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal of, Redemption Price or interest on the Bonds; any notice which is permitted or required to be given to Owners under this Indenture; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by DTC as the Owner of the Bonds. So long as DTC is the Owner of all Bonds, the Trustee shall pay all principal of and Redemption Price, if any, of, and interest on, the Bonds only to DTC, and all such payments shall be valid and effective

to fully satisfy and discharge the Corporation's obligations with respect to the principal of, Redemption Price and interest on the Bonds to the extent of the sums so paid;

(3) notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of DTC all payments with respect to principal of and Redemption Price, if any, and interest on, such Bond, and all notices with respect to such Bond, shall be made and given, respectively, as provided in the DTC Blanket Representation Letter;

(4) the rights of Beneficial Owners shall be exercised only through DTC; and

(5) to the extent that the provisions of this Section 315(A) conflict with any other provisions of this Indenture except express terms of a Supplemental Indenture or the Undertaking therein, the provisions of this section shall control; to the extent that the provisions of this section conflict with the express terms of a Supplemental Indenture or the Undertaking therein, such Supplemental Indenture or Undertaking shall control.

(B) Withdrawal from DTC. If (i) the Corporation advises the Trustee in writing that DTC is no longer willing or able to properly discharge its responsibilities with respect to the Bonds or a Series or other portion thereof, and the Corporation is unable to locate a qualified successor Securities Depository, (ii) the Corporation at its option advises the Trustee in writing that it elects to terminate the book-entry system through DTC or (iii) 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 DTC shall notify its Participants and the Trustee of the occurrence of any such event and of the availability of Bonds to registered owners requesting the same. Upon 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

PROJECT FUND

Section 401 Establishment of Project Fund. The Project Fund is hereby created as a special trust Fund to be held by the Trustee subject to the pledge of this Indenture, to the credit of which such deposits shall be made from the proceeds of Bonds as may be required by the Supplemental Indenture authorizing the Series of such Bonds. The Project Fund shall be applied to the payment of the Capital Costs in the manner set forth in this Article IV.

Section 402 Application of Project Fund. (A) Payments of funds disbursed from the Project Fund shall be made by the Corporation for Capital Costs set forth in Section 403.

(B) The Trustee is hereby directed to issue its checks or send its wires for each disbursement from the accounts of the Project Fund upon being furnished with a written requisition therefor certified by an Authorized Officer of the Corporation substantially in the form of Exhibit

B annexed hereto. The Trustee shall maintain adequate records pertaining to the Project Fund and all disbursements therefrom.

(C) Upon the occurrence and continuation of an Event of Default hereunder prior to the Project Completion Date and notwithstanding Section 803 hereof, all money and investments in the Project Fund may be disbursed at the written direction of the Bondholder Representative (or, if no Bondholder Representative exists, the Owners of a majority in principal amount of the Bonds then Outstanding) to pay any costs and expenses of the Project (or any portion thereof), to pay costs of enforcement of the Security Documents and to pay any and all amounts owed by the Corporation thereunder, in whatever amounts and whatever order the Bondholder Representative may determine; provided, however, if the Bondholder Representative has received a Notice of Non-Completion within 30 days of the UN or UNDP's receipt of a notice of an Event of Default from the Trustee, the Bondholder Representative will direct the Trustee to apply the balance of any funds remaining in the applicable subaccount of the Project Fund to pay the remaining Capital Costs of the Project (or portion thereof) if the Project (or portion thereof) can be completed in accordance with the terms of this Indenture. A **"Notice of Non-Completion"** means, with respect to any portion of the Project, a notice from either the UN or UNDP addressed to the Trustee, the City and the Bondholder Representative (if any) setting forth that the Corporation has failed to substantially and timely complete the Project in accordance with the plans and specifications set forth under the UNDP Lease or the United Nations Lease.

(D) Any money remaining in the Project Fund after paying or providing for payment of the costs of the Project shall be transferred by the Trustee to the Revenue Fund upon the written direction of the Corporation.

(E) Any earnings and other income derived from the investment or deposit of the Project Fund shall be withdrawn therefrom and paid to the Revenue Fund.

Section 403 Capital Costs. For the purposes of this Indenture, Capital Costs relating to the acquisition, construction, reconstruction, rehabilitation or improvement (including repair, alteration, renovation and restoration) of the UNDC Properties or any portion thereof (including the Project), shall mean the full cost of the same pursuant to the Act, and, without intending thereby to limit or restrict any proper definition of such cost, shall include the following:

- (1) Costs of Issuance;
- (2) obligations incurred by the Corporation for cost of construction, for labor, materials and services, for contractors, builders and others, for machinery and equipment, for necessary water and sewer lines and connections, utilities and landscaping, for the restoration or relocation of any property, for the removal or relocation of any structures, for the relocation of tenants and occupants and for the clearing of lands;
- (3) rent, taxes, payments in lieu of taxes, and governmental charges lawfully levied or assessed, premiums on insurance (if any) and all or any portion of expenses of maintenance and operation and interest on Bonds in connection with such acquisition, construction, reconstruction, rehabilitation or improvement (including repair, alteration, renovation and restoration) to the date of filing with the Trustee of a Certificate of Completion;

(4) the reasonable fees and expenses of the Trustee or any other Fiduciary (including counsel fees and expenses) for its services for the period of such acquisition, construction, reconstruction, rehabilitation or improvement (including repair, alteration, renovation and restoration) to the date of filing with the Trustee of a Certificate of Completion;

(5) the fees and expenses of rating agencies and of engineers, architects, real estate consultants, the Bondholder Representative, if any, parking facilities consultants and other consultants for making studies, surveys and estimates of costs and of revenues and other estimates, and fees and expenses of engineers and architects for preparing plans and specifications and supervising work as well as for the performance of other duties of engineers and architects;

(6) expenses of administration properly chargeable to the Project Fund, payment of interest on the Bonds (including capitalized interest), legal expenses and fees, financing charges, operating and debt service reserves, fees and expenses related to credit and liquidity support and transactions in variable-rate bonds, expenses of recordation of legal instruments, costs of audits and all other items of expense incident to the work, the financing thereof, the placing of the same in operation (including pre-opening expenses, rental expenses, lease take-over obligations, costs of furniture, fixtures and equipment, working capital and the premiums on any insurance required or obtained under the provisions of this Indenture), tenant concessions, tenant improvement allowances or tenant work allowances, and the acquisition of lands, property, rights, air rights, rights of way, easements, franchises and interests in or relating to lands, including abstracts of title, title insurance, cost of surveys and other expenses in connection with such acquisition, and expenses of administration properly chargeable to the Project Fund; and

(7) any other cost of the Project or obligation or expense heretofore or hereafter incurred or paid by the Corporation for any of the foregoing purposes.

Section 404 Capital Covenants. The Corporation covenants and agrees that all Capital Costs will be carefully controlled to prevent overruns in such costs and to assure that the proceeds of Bonds issued therefor will be sufficient to pay such costs. To this end, the Corporation agrees that plans, specifications, contract documents, change orders, equipment and other aspects of the work will be reviewed and inspected by employees of the Corporation or independent consultants or contractors, or both, fully qualified by training and experience to review and inspect such plans, specifications, contract documents, change orders, equipment and other aspects of the work. The Corporation further covenants that it will prepare, sign and file with the Trustee (with a copy to the Bondholder Representative, if any) a Certificate of Completion upon substantial completion of any work for which amounts have been deposited in the Project Fund in accordance with this Indenture.

Section 405 Completion of Work. Upon the filing of a Certificate of Completion, money then held for the credit of the Project Fund not reserved for the payment of remaining Capital Costs shall be transferred to and deposited in the Revenue Fund; and money so reserved that, pursuant to an Officer's Certificate delivered to the Trustee to such effect, is subsequently determined not to be required for the payment of remaining Capital Costs shall be transferred and deposited in the Revenue Fund upon receipt of such Officer's Certificate.

ARTICLE V

REVENUES

Section 501 Creation of Funds. (A) In addition to the Project Fund, the following Funds are hereby created as special trust Funds to be held by the Trustee subject to the pledge of this Indenture:

- (1) Revenue Fund;
- (2) Debt Service Fund;
 - (i) Liquidity Reserve Fund
- (3) Renewal and Replacement Fund;
- (4) City Rent Fund;
- (5) Redemption Fund; and
- (6) Corporation Purposes Reserve Fund.

(B) The following Fund is hereby created under this Indenture to be held by the Corporation or a Depositary and applied as provided in this Indenture:

- (1) Operating Fund.

Nothing herein shall be construed to preclude the creation of separate reserve funds or the obtaining of separate surety bonds, insurance policies and other credit support for any Series of Bonds, which may or may not be pledged toward the payment of other Series of Bonds. Amounts drawn under a credit facility with respect to a particular Series and all other amounts held in accounts or funds established with respect to such Series pursuant to the Supplemental Indenture providing for the terms of such Series shall be applied solely to make payments on such Series of Bonds.

Section 502 Deposit of Revenues. (A) All Revenues shall be collected by or on behalf of the Corporation, its successors and assigns and deposited on the date of receipt thereof, as far as practicable, with any Depositary designated in writing by the Chief Executive Officer as authorized to accept deposits of Revenues, to be held in the Trustee's name. Except as provided in Paragraph (B) of this Section all such deposits shall be credited to the Revenue Fund.

(B) In the event that the Corporation receives Revenues consisting of insurance proceeds for which a claim against the Corporation has been made, the Corporation, upon filing with the Trustee and the Rating Agencies of an Officer's Certificate, may direct in such Officer's Certificate that such proceeds be deposited in the Operating Fund.

(C) Insurance proceeds for damage to or destruction of the UNDC Properties, or any part thereof, or any amounts derived from or in connection with condemnation awards with

respect to the UNDC Properties, or any part thereof (“Proceeds”) shall be applied pursuant to any requirement of any Superior Instrument that insurance or condemnation proceeds be applied to “work”, as defined in the Bishop Lease, or to restoration, replacement, repair, rebuilding, reconstruction, substitution or similar work in the UNDC Properties.

(D) Except as set forth in Section 502(C), Proceeds shall be deposited in the Renewal and Replacement Fund, and applied therefrom with reasonable promptness in accordance with Section 508, or in the Redemption Fund, or partially in each of such Funds, as directed by an Officer’s Certificate filed with the Trustee and the Rating Agencies, which Officer’s Certificate shall certify, in the event of a direction to make such deposit in the Renewal and Replacement Fund, that the UNDC Properties is capable of being repaired, restored or replaced with the money available to the Corporation, including such insurance proceeds or condemnation awards and any other money available to the Corporation for such purpose, to a condition which will permit the continued operation of the UNDC Properties in a manner consistent with this Indenture and the Mortgage, and which Officer’s Certificate shall certify, in the event of a direction to make such deposit in the Redemption Fund that the money to be deposited to the Redemption Fund is not required to be used to repair, restore or replace the UNDC Properties to a condition which will permit the continued operation of the UNDC Properties in a manner consistent with this Indenture and the Mortgage, or that the UNDC Properties is not capable of being so repaired, restored or replaced, and that the Corporation is exercising its option to redeem Bonds pursuant to the Supplemental Indenture applicable to such Bonds on the date specified in such Officer’s Certificate. In either case, such Officer’s Certificate shall certify that Section 502(C) has been complied with.

Section 503 Application of Revenue Fund. The Trustee shall, as and when requested by the Corporation, but not less frequently than each month, make the following transfers and deposits from the Revenue Fund in the following order of priority, except as otherwise provided in Section 506 regarding such transfers and deposits:

FIRST: To the Debt Service Fund, in an amount (taking into consideration the application of amounts deposited into any Capitalized Interest Account) such that if the same amount is transferred each month, there will be on deposit 10 days before the next Interest Payment Date and 10 days before the next Principal Installment Date (but only if such Date is within 12 months of the date of deposit) an amount equal to the Interest Requirement and the Principal Requirement as of 10 days before such Dates;

SECOND: To the Operating Fund, free and clear of the pledge and lien of this Indenture and the Security Documents, in an amount equal to the anticipated Operating Expenses for the next succeeding calendar month, upon filing with the Trustee of an Officer’s Certificate requesting payment;

THIRD: To the Renewal and Replacement Fund in an amount which, when added to the amounts then on deposit in the Renewal and Replacement Fund, is at least equal to the amount anticipated

by the Corporation, as evidenced by an Officer's Certificate delivered to the Trustee, to be withdrawn from the Renewal and Replacement Fund pursuant to Section 508(A); provided that the aggregate amount transferred to the Renewal and Replacement Fund during the calendar year referred to in the Officer's Certificate referred to in Section 610 shall be equal to the Renewal and Replacement Requirement referred to in Section 610 for such calendar year;

FOURTH: To the City Rent Fund in an amount such that there will be sufficient money in the City Rent Fund to make the next payment of Net Annual Rent and Base Rent to the City as defined and required under the City Leases, as evidenced by an Officer's Certificate delivered to the Trustee; and

FIFTH: To the Corporation Purposes Reserve Fund to the extent of any remaining amount.

Section 504 Application of Operating Fund. (A) Upon filing with the Trustee of an Officer's Certificate requesting payment for items of Operating Expenses, the Trustee shall, from time to time as often as shall be convenient or necessary to comply with the provisions of this Indenture, transfer from the Revenue Fund and deposit to the Operating Fund such amount as shall be requested by the Corporation for items of Operating Expenses (which may include reimbursement of the Corporation for Operating Expenses paid by the Corporation from sources not subject to the pledge and lien of this Indenture); provided, however, that the Corporation covenants that no such transfer and deposit shall be requested by the Corporation with respect to any particular item of Operating Expenses if there has been filed with or served upon the Corporation notice of any lien, right to lien or attachment upon, or claim affecting the right of the person, firm or corporation to which payment for such item of Operating Expenses is due to receive payment of the amount payable for such item of Operating Expenses, which has not been released or will not be released simultaneously with the payment to such person, firm or corporation. Transfers and deposits to the Operating Fund may be made to the credit of a checking account or checking accounts established in the name of the Corporation, which checking account or checking accounts shall constitute all or part of the Operating Fund. Operating Expenses may be paid by the Corporation by means of checks drawn on such accounts signed by an Authorized Officer or any consultant or operating manager engaged or employed by the Corporation who is designated in writing by the Chief Executive Officer as authorized to sign such checks.

(A) Payments by the Trustee from the Revenue Fund to the Corporation for deposit in the Operating Fund shall be made in accordance with the provisions of this Section for Operating Expenses. Upon such withdrawal by the Trustee from the Revenue Fund, such money shall no longer be subject to the pledge and lien of this Indenture or the other Security Documents.

(B) Any earnings and other income derived from the investment or deposit of the Operating Fund shall be withdrawn therefrom and paid to the Revenue Fund.

Section 505 Application of Liquidity Reserve Fund. (A) On the date of issuance of the 2025 Bonds, the Corporation shall fund the Liquidity Reserve Fund in an amount equal to the Liquidity Reserve Fund Requirement with respect to the 2025 Bonds. Thereafter, on the date of issuance of any Additional Bonds, there shall be deposited into, or withdrawn from, the Liquidity Reserve Fund an amount sufficient to bring the amount on deposit therein to equal the Liquidity Reserve Fund Requirement.

(B) Upon the occurrence of a Support Event, the Corporation will (1) notify the Trustee and the City, and (2) in the event the Corporation projects that at any time within the next 18 months Revenues will be insufficient to provide for deposit to the Debt Service Fund the full amounts required under Section 506, taking into consideration amounts payable under the Backup Lease for which timely appropriations by the City have been made or are anticipated to be made, then the Corporation shall provide a Deficiency Notice in accordance with the Support Agreement.

(C) Following the receipt by the Trustee and the City of the notice described in Subsection (B)(1) of this Section 505, and until the City has begun making Support Payments under the Support Agreement, the Trustee shall notify the City and the Corporation by no later than five (5) Business Days after the end of each month of the amount by which the Revenues deposited into the Debt Service Fund relating to the next Interest Payment Date or Principal Installment Date are deficient, if at all, and of the cumulative pro rata amounts required to be deposited therein to the end of such month in accordance with paragraph "First" of Section 503 hereof. If on the fifteenth day preceding such Interest Payment Date or Principal Installment Date there remains insufficient money in the Debt Service Fund to make such payments of Principal Installments of or interest on the Bonds, the Trustee, upon notifying the Corporation, shall make withdrawals from the Liquidity Reserve Fund so that the amount in the Debt Service Fund is equal to the Debt Service Requirement.

(D) The Corporation shall provide a Payment Notice to the City in accordance with the terms of the Support Agreement.

(E) Any earnings and other income derived from the investment of the Liquidity Reserve Fund shall remain in the Liquidity Reserve Fund to the extent the amount of deposit therein is not in excess of the Liquidity Reserve Fund Requirement, and any such excess shall be transferred by the Trustee to the Renewal and Replacement Fund.

Section 506 Application of Debt Service Fund. (A) The Trustee shall withdraw from the Debt Service Fund, including any applicable withdrawal from any Capitalized Interest Account, on each Interest Payment Date of the Bonds, an amount equal to the interest due and payable on the Bonds on such Interest Payment Date, and shall cause the same to be applied to the payment of said interest when due and is hereby authorized to transmit the same to Paying Agents who shall apply the same to such payment.

(B) If the withdrawals required under the provisions of Paragraph (A) of this Section with respect to the same and every prior date shall have been made, the Trustee shall withdraw from the Debt Service Fund on each Principal Installment Date an amount equal to the Principal Installments due and payable on the Bonds on such Principal Installment Date, and shall

cause the same to be applied to the payment of the principal of said Bonds when due and is hereby authorized to transmit the same to Paying Agents who shall apply the same to such payment.

(C) The Trustee, not later than the 45th day prior to a Principal Installment Date on which a Sinking Fund Installment respecting Bonds is due and payable pursuant to a Supplemental Indenture, shall use its best efforts to apply money in the Debt Service Fund to the purchase of the Bonds for which such Sinking Fund Installment is established, provided however, that the Trustee shall not apply money in the Debt Service Fund to the purchase of Outstanding Bonds in an amount exceeding the amount required to purchase the principal amount of Outstanding Bonds for which such Sinking Fund Installment is established, and provided further that the purchase price paid by the Trustee (excluding accrued interest but including any brokerage and other charges) for any Bond purchased pursuant to this Section 506(c) shall not exceed the Redemption Price of such Bond applicable upon its redemption through application of the money available for such purchase on the next date on which such Bond could be redeemed in accordance with its terms by operation of Sinking Fund Installments. For purposes of this Indenture, the principal amount of Bonds purchased pursuant to this Section 506(C) shall be deemed to be on deposit in the Debt Service Fund until the next succeeding Principal Installment Date on which a Sinking Fund Installment is due and payable on such Bonds. Subject to the limitations hereinbefore set forth or referred to in this Section 506(C), the Trustee shall purchase such Bonds for which such Sinking Fund Installment is established at such times, for such prices, in such amounts and in such manner (whether after advertisement for tenders or otherwise) as the Trustee in its discretion may determine and as may be possible with the amount of money available therefor in the Debt Service Fund.

(D) Before the 30th day prior to the date of each Sinking Fund Installment, the Trustee shall call for redemption on the said date of said Sinking Fund Installment and by application of said Sinking Fund Installment such principal amount of the Bonds entitled to said Sinking Fund Installment and not so purchased pursuant to Section 506(C), and on the redemption date the Trustee shall apply the money in the Debt Service Fund to the payment of the Redemption Price of the Bonds so called for redemption.

(E) If the Trustee shall have purchased pursuant to Section 506(C) such Bonds for which such Sinking Fund Installment is established and, as a result thereof, money in excess of the Interest Requirement and the Principal Requirement is then on deposit in the Debt Service Fund, the Trustee not later than the 45th day prior to a Principal Installment Date shall, as directed by an Officer's Certificate, either apply such money to Funds of lower priority, in the order stated in Section 503, or use its best efforts to apply such excess money to purchase any Bonds, provided that the purchase price paid by the Trustee (excluding accrued interest but including brokerage and other charges) for any Bond pursuant to this Section 506(E) shall not exceed its principal amount, and the Trustee shall purchase such Bonds at such times, for such prices, in such amounts and in such manner (whether after advertisement for tenders or otherwise) as the Trustee in its discretion may determine and as may be possible with the amount of money available therefor in the Debt Service Fund.

(F) There shall be established by Supplemental Resolution a separate account within the Debt Service Fund for each Series of Bonds for which proceeds are to be set aside for payment of capitalized interest thereon. Simultaneously with such deposit, an Authorized Officer

shall deliver to the Trustee a schedule showing the amounts that shall be transferred from the amounts on deposit in the Capitalized Interest Account with respect to such Series to the Debt Service Fund on or before each Interest Payment Date for the payment of interest on such Series of Bonds. Any excess remaining in any Capitalized Interest Account on the last scheduled Interest Payment Date shall be transferred to the Debt Service Fund for the payment of interest on such Series of Bonds on the next Interest Payment Date.

Section 507 Deficiencies in Debt Service Fund. In the event that, after the application of moneys from the Liquidity Reserve Fund as provided in Section 505(C) hereof, there is insufficient money in the Debt Service Fund to make payments of Principal Installments of or interest on the Bonds, the Trustee, upon notifying the Corporation, shall make withdrawals from the Funds and Accounts in the following order of priority and deposit the same in the Debt Service Fund to the extent of such insufficiency:

- (1) Redemption Fund (except as to amounts on deposit therein for which notice of redemption of Bonds has been given to the Owners thereof);
- (2) Corporation Purposes Reserve Fund;
- (3) City Rent Fund; and
- (4) Renewal and Replacement Fund.

Notwithstanding anything in this Indenture to the contrary, amounts in the foregoing funds shall not be used for the purposes of making payments of Principal Installments of or interest on the Bonds until the amounts in the Liquidity Reserve Fund have been applied in full for such purposes.

Section 508 Renewal and Replacement Fund. (A) The Trustee shall withdraw from the Renewal and Replacement Fund amounts requisitioned by an Authorized Officer of the Corporation for, and apply the same by payment of such requisition to, the reasonable and necessary expenses of the Corporation with respect to the UNDC Properties for restoration, major repairs, renewals, replacements or maintenance items of a type recurring less frequently than annually (which may include reimbursement of the Corporation for such reasonable and necessary expenses paid by the Corporation from sources not subject to the pledge and lien of this Indenture or the other Security Documents). Before any such payment is made, the Corporation shall file with the Trustee its requisition therefor, stating the amount of such expenses and describing in reasonable detail the purpose of such expenditure and that such expenditure is for a purpose described and permitted in this Section.

(B) Amounts in the Renewal and Replacement Fund shall also be applied as provided in Section 507, and any earnings or other income derived from the investment or deposit of the Renewal and Replacement Fund shall be deposited in the Revenue Fund.

(C) If on any date all withdrawals or payments from the Renewal and Replacement Fund required by any other provision of this Indenture with respect to the same and every prior date shall have sooner been made and the amount in the Renewal and Replacement Fund exceeds the Renewal and Replacement Requirement, the Trustee, upon the filing with it of

an Officer's Certificate requesting such withdrawal, shall withdraw from the Renewal and Replacement Fund the amount of such excess and pay the money so withdrawn into the Revenue Fund.

Section 509 City Rent Fund. (A) If the amounts deposited in the Debt Service Fund and the Renewal and Replacement Fund are at least equal to the amounts required to be deposited therein under Section 503, the Trustee shall pay from the City Rent Fund to the City the amount requisitioned by an Authorized Officer of the Corporation, which requisition shall state that such amount is due and payable as rent under the City Leases. No amount shall be paid as rent under the City Leases from the City Rent Fund if there exists any deficiency in the Debt Service Fund or the Renewal and Replacement Fund.

(B) Excess amounts and interest or other income derived from the investment or deposit of the City Rent Fund shall be paid to the Revenue Fund.

Section 510 Application of Redemption Fund. (A) Except as otherwise provided in Section 506, all amounts deposited in the Redemption Fund shall be applied to the purchase or the redemption of Bonds as set forth in the applicable Supplemental Indenture, including the payment of premium. The Redemption Price of Bonds subject to redemption by operation of the Redemption Fund shall be a price set forth in the applicable Supplemental Indenture.

(A) Upon receipt of an Officer's Certificate, which shall direct the purchase or redemption of Bonds with money on deposit in the Redemption Fund including the Series and maturities to be redeemed, the Trustee shall apply money in the Redemption Fund to the purchase of such Bonds designated at the most advantageous price reasonably obtainable with due diligence, such price not to exceed the Redemption Price of such Bonds applicable on the next ensuing redemption date for such Bonds. Bonds not so purchased may be redeemed at a Redemption Price determined by the applicable Supplemental Indenture at the time and in the manner provided in Article VII. Bonds shall not be purchased pursuant to this Paragraph during the 30-day period prior to a redemption date from money to be applied to the redemption of Bonds on such date.

Section 511 Application of Corporation Purposes Reserve Fund. (A) Amounts held in the Corporation Purposes Reserve Fund shall be applied in the following order of priority:

(1) To the Debt Service Fund to the extent that there is insufficient money in the Debt Service Fund to make payments of Principal Installments and interest on the Bonds upon notice by the Trustee to the Corporation that amounts on deposit in the Redemption Fund and available therefor are not sufficient to cure such insufficiency as provided in Section 506;

(2) To the Renewal and Replacement Fund to the extent necessary to increase the amount therein to the Renewal and Replacement Requirement;

(3) Upon filing with the Trustee of an Officer's Certificate, to acquire the Two U.N. Plaza Building Site or to repair, alter, renovate or restore the UNDC Properties in such manner and to such condition as the Board by resolution shall find necessary or desirable for the continued efficient, economical and businesslike operation of the UNDC Properties; and

(4) Upon filing with the Trustee of an Officer's Certificate requesting payment, to the Corporation to be used for any lawful purpose free and clear of the pledge and lien of this Indenture or the other Security Documents.

ARTICLE VI

PARTICULAR COVENANTS OF CORPORATION

Section 601 Indenture to Constitute Contract. 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 Owners of the Bonds, and shall be deemed to be and shall constitute contracts between the Corporation, the Trustee and the Owners from time to time of the Bonds. The pledge made in this Indenture and the other Security Documents and the provisions, covenants and agreements herein and therein set forth to be performed by or on behalf of the Corporation shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of such Bonds over any other thereof except as expressly provided in or pursuant to the Act and this Indenture.

Section 602 The Corporation's Obligation to Pay Bonds. The interest and principal and redemption premium, if any, due on the Bonds shall be payable from the collateral pledged in the granting clauses of this Indenture, in the order of priority specified herein and subject to the terms and conditions hereof. The Bonds shall not be deemed to constitute a debt of the United Nations, UNDP, the United States of America, the State or the City. The Bonds shall be entitled to the pledge and lien described in the preambles to this Indenture, and all Bonds shall be entitled to the benefits of the continuing pledge and lien created by this Indenture and the other Security Documents to secure the full and final payment of the principal or Redemption Price of and interest on all of said Bonds issued pursuant to this Indenture and any Sinking Fund Installments for the retirement thereof.

Section 603 Agreement of State and City. (A) In the Act, the State authorizes the Corporation to include in this Indenture, and the Corporation does hereby include, the agreement of the State that the State pledges to and agrees with the Owners of any notes or bonds issued under the Act, that the State will not limit or alter the rights vested in the Corporation to fulfill the terms of any agreements made with the Owners thereof, or in any way impair the rights and remedies of such Owners until such notes or bonds, together with the interest thereon and all costs and expenses for which the Corporation is liable in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged.

(B) Under the provisions of the City Leases, the City has authorized the Corporation to include in this Indenture, and the Corporation does hereby include, the City's pledge and agreement with the Owners of the Bonds that, except as otherwise specifically provided in the City Leases, the City will not alter or limit the rights vested in the Corporation under the City Leases, or in any way impair the rights and remedies of Owners of the Bonds, until payment in full of the Bonds in accordance with their terms, including principal, interest, any redemption

premium and payment of all other obligations of the Corporation as provided in the proceedings authorizing the Bonds.

Section 604 Operating Expense Covenant. The Corporation covenants that the amount expended for Operating Expenses in any calendar year will not exceed the reasonable and necessary amount therefor.

Section 605 Accounts and Reports. (A) The Corporation shall keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all its transactions relating to the UNDC Properties and all Funds and Accounts established by this Indenture which shall at all reasonable times be subject to the inspection of the Trustee, the Bondholder Representative, and the Owners of an aggregate of not less than 5% in principal amount of Bonds then Outstanding or their representatives duly authorized in writing.

(B) The Corporation shall annually, within 90 days after the close of each Fiscal Year, file with the Trustee and with such officer of the State, if any, as may be required by law, a copy of the Corporation's annual report for such Fiscal Year setting forth in reasonable detail:

- (1) its operations and accomplishments;
- (2) its revenues and expenses in accordance with the categories or classifications established by the Corporation for its operating purposes; and
- (3) its assets and liabilities and fund balances at the end of such Fiscal Year, including all Funds and Accounts established by this Indenture.

A copy of each such annual report shall be accompanied by an Accountant's Certificate, and such copy and Accountant's Certificate shall be mailed promptly thereafter by the Corporation to the Rating Agencies and each Owner who shall have filed his name and address with the Corporation for such purpose.

(C) The Corporation shall annually, within 90 days after the close of each Fiscal Year, file with the Trustee an Officer's Certificate, based on the books and records of the Corporation, prepared and presented consistently with the information reported pursuant to clauses (2) and (3) of Section 605(B) and accompanied by an Accountant's Certificate, setting forth in reasonable detail:

- (1) the amount of the Liquidity Reserve Fund Requirement and the amount on deposit in the Liquidity Reserve Fund as of the close of the Fiscal Year; and
- (2) the Debt Service Requirement for the next preceding year.

(D) The Corporation will mail to Rating Agencies, the Bondholder Representative, from time to time such additional information regarding the financial position, results of operations, business or prospects of the Corporation as the Rating Agencies or the Bondholder Representative, as applicable, may reasonably request.

(E) Until the Project Completion Date, the Trustee shall forward to the United Nations and the UNDP (to the extent that the Corporation shall have delivered to the Trustee the notice address for each such entity), a copy of the monthly advice prepared by the Trustee referenced in the last sentence of Section 1005(F) hereunder.

(F) If a Series of Bonds (i) has been purchased by a Dealer subject to the Rule, (ii) the Rule requires Dealers to determine, as a condition to purchasing such Bonds, that the Corporation will covenant to a continuing disclosure undertaking complying with the Rule (an “Undertaking”), 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 shall provide an Undertaking in the applicable Supplemental Indenture.

Section 606 Personnel and Consultants. The Corporation shall at all times appoint, retain and employ competent personnel, consultants and other experts for the purpose of carrying out its obligations under this Indenture.

Section 607 Insurance. The Corporation covenants that it will maintain insurance with respect to the UNDC Properties in accordance with the applicable insurance requirements of the Bishop Lease and the City Leases. The Corporation further covenants that it shall cause to be carried fidelity bonds or blanket crime insurance on all officers and employees of the Corporation and any others (excepting the Trustee, Paying Agents and Depositories) who collect or have custody of or access to any of the Revenues or any other funds of the Corporation, such bonds or insurance to be in such amounts and form as are customarily carried by operators of facilities comparable to the UNDC Properties and administering funds and income comparable in amount to those of the Corporation. Any amount recovered under such fidelity bonds shall be applied in making up any deficiency or shortage in the respective Fund, Account or money involved.

The Corporation further covenants that it will cause all improvements now or hereafter existing in or constituting parts of the UNDC Properties at all times to be insured against such risks as are customarily insured against in connection with facilities of type and size comparable to the UNDC Properties, and that the Corporation will carry and maintain or cause to be carried and maintained, and timely pay or cause to be paid the premiums for, at least the following insurance when and to the extent such insurance is available on commercially reasonable terms; provided that upon the written recommendation of the Insurance Consultant, the amounts and types of insurance hereunder required may be modified to the extent so recommended by the Insurance Consultant:

- (a) insurance against loss or damage by fire and standard extended coverage perils;
- (b) steam boiler, pressure vessel and sprinkler leakage insurance;
- (c) use and occupancy or business interruption insurance, covering loss of anticipated revenues by reason of total or partial suspension of, or interruption in, the operation of the UNDC Properties, or any part thereof, due to a covered peril;
- (d) worker’s compensation insurance as required by the laws of the State; and

(e) commercial general liability and commercial automobile liability insurance, as applicable.

Any insurance required to be carried under this Section 607 may be included as part of any blanket or other policy or policies of insurance, subject to the provisions of this Indenture.

Any property insurance required to be carried under this Section 607 shall designate the Trustee, as mortgagee, as an additional insured and shall be payable to the Trustee as a loss payee.

Notwithstanding the foregoing provisions of this Section 607, if at any time the Corporation shall be unable to obtain such insurance to the extent above required, either as to the amount of such insurance or as to the risks covered thereby or the deductible provision thereof, it will not constitute an Event of Default under the provisions of this Indenture if the Corporation shall carry such insurance to the extent reasonably obtainable.

Section 608 Extension of Payment of Bonds. The Corporation shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled in case of any default under this Indenture to the benefit of this Indenture or to any payment out of any assets of the Corporation or the funds (except funds held in trust for the payment of particular Bonds, or pursuant to this Indenture) held by any Fiduciary, except subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has occurred and has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest.

Section 609 Further Assurance. At any time and all times the Corporation shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning or confirming all and singular the rights, Revenues, Funds and Accounts established pursuant to this Indenture, including the investments, if any, and other money, securities and investments hereby pledged or assigned, or assigned in trust, or intended so to be, or which the Corporation may hereafter become bound to pledge or assign or assign in trust. The Corporation covenants to cause any necessary financing statements and continuation statements covering security interests respecting the pledge and lien of this Indenture and the other Security Documents to be promptly recorded, registered and filed, and will execute and file such financing statements and cause to be issued and filed such continuation statements, all in such manner and in such places as may be required by law fully to preserve, perfect and protect the rights of Owners of the Bonds and the Trustee hereunder and under the other Security Documents, and to cause to be delivered to the Trustee every fifth year, commencing on the fifth anniversary of the Closing Date, a Counsel's Opinion to the effect that any such necessary financing statements and continuation statements have been recorded or filed (which Counsel's Opinions shall recite in reasonable detail the nature of such filing) in such manner and at such places as required by law fully to preserve, perfect and protect the rights of the Owners of the Bonds and of the Trustee under this Indenture the other Security Documents and

that either no further instruments are required by law to be executed, recorded or filed to preserve, perfect and protect the rights of the Owners and the Trustee hereunder and under the other Security Documents or stating what further such instruments under then current state law are required to be filed in the succeeding five years.

Section 610 Inspection of the UNDC Properties and Schedule of Rents, Rates, Fees and Charges. The Chief Executive Officer shall inspect, or shall cause to be inspected, the UNDC Properties at least once in each calendar year, and, in connection with such inspection, shall consult with and receive the recommendations, if any, of an architect, a qualified engineer, or operating managers or other consultants engaged or employed by the Corporation, if any, or a combination thereof, as to the proper operation, repair and maintenance of the UNDC Properties during the then current calendar year and, based upon such inspection, consultations and recommendations for the then current calendar year, the Chief Executive Officer shall, on or prior to the first day of April in each such calendar year, establish the Renewal and Replacement Requirement for the then current calendar year and the schedule of rents, rates, fees and charges to be charged for the use of the UNDC Properties during the remainder of the then current calendar year, including any necessary or advisable revisions to the schedule of rents, rates, fees and charges then in effect. The Chief Executive Officer may at any time revise the Renewal and Replacement Requirement or the schedule of rents, rates, fees and charges to be charged for the use of the UNDC Properties, after consulting with and receiving the recommendations of an architect, a qualified engineer, operating managers or consultants engaged or employed by the Corporation to the extent that the Chief Executive Officer determines the same to be necessary. The Renewal and Replacement Requirement and the schedule of rents, rates, fees and charges established pursuant to this Section 610 shall remain in effect in the calendar year in which established or in any subsequent calendar year until a revised Renewal and Replacement Requirement or a revised schedule of rents, rates, fees and charges is established pursuant to this Section 610.

Section 611 Operation of the UNDC Properties. The Corporation shall at all times operate and maintain the UNDC Properties in an efficient, economical and businesslike manner, shall endeavor to employ competent personnel assuring efficient, economical and productive operations, shall install and use modern equipment, apparatus and machinery and recognized management and administrative techniques and cost accounting practices and controls to the fullest extent feasible, shall bill for and collect rents, fees, charges and debts expeditiously and otherwise in conformity with sound business practices, and shall file such reports, statements, invoices and other documents promptly to avoid delays in payments due and payable to the Corporation. The Corporation shall manage, administer, operate, repair and maintain the UNDC Properties and every part thereof in conformity with such high standards of management, administration and operation as are recognized and observed by other entities operating facilities comparable to the UNDC Properties.

Section 612 Maintenance of Corporation's Existence. The Corporation shall take all action and do all things within its control as may be necessary or appropriate to maintain and continue its corporate existence under the laws of the State and all rights and privileges to it granted and upon it conferred, and will not do, suffer or permit any act or thing within its control to be done whereby its right to transact its functions might or could be terminated or its operations and activities restricted, or whereby payment of the Principal Installments of the Bonds or the interest or redemption premium thereon might or could be hindered or delayed.

Section 613 Covenant to comply with the Support Agreement and Backup Lease; Notice Regarding Support Payments.

(A) The Corporation shall take all action necessary to comply with its obligations (i) under the Support Agreement in order to receive the Support Payments from the City under the Support Agreement, and (ii) under the Backup Lease in order to receive City Rental Payments (as defined in the Backup Lease) from the City under the Backup Lease, and shall provide the City and the Trustee with notice of the occurrence of a Backup Commencement Event(as defined in the Backup Lease) and a Support Event.

(B) The Corporation shall give notice to the Trustee of a failure (i) by the Mayor to include in the expense budget submitted by the Mayor to the City Council in each fiscal year, the amount required by Section 2.2 of the Support Agreement to be included therein for the payment of Support Payments to be made by the City during the City's next ensuing fiscal year, or (ii) by the City duly to appropriate in its budget for a fiscal year upon its initial adoption an amount sufficient to pay the amount set forth by the Corporation in its "Deficiency Notice," as such term is defined in the Support Agreement, or duly to enact an increase in the appropriation in such budget within sixty (60) days after the Corporation submits an amendment to said Deficiency Notice increasing the amount set forth therein. Such notice shall be given to the Trustee as soon as practicable after the Corporation obtains knowledge of any such failure.

Section 614 Liquidity Reserve Fund Covenant. The Corporation shall maintain at all times on deposit in the Liquidity Reserve Fund an amount equal to the Liquidity Reserve Fund Requirement; provided, however, that for the sole purpose of determining or calculating compliance with this Section 614 from time to time, there shall be deemed to be on deposit therein the amount of any obligation of the City under the Support Agreement to reimburse the Liquidity Reserve Fund for amounts actually withdrawn from the Liquidity Reserve Fund for the purposes set forth in Section 505(C) hereof for which (i) the City has received a "Deficiency Notice" under Section 2.2 of the Support Agreement, and (ii) the City has not failed to timely seek or obtain an appropriation in accordance with the Support Agreement; *provided further*, however, such amounts deemed deposited shall exclude earnings and other income actually derived from the investment or deposit of the Liquidity Reserve Fund.

Section 615 Compliance with Declaration, Backup Lease, Support Agreement, Bishop Lease and City Leases. The Corporation covenants to comply with the applicable requirements of the Declaration, Backup Lease, Bishop Lease and City Leases. The Corporation further covenants to enter into any amendment of the Declaration, Backup Lease, Support Agreement, Bishop Lease, City Leases and Support Agreement reasonable or necessary for the issuance of Additional Bonds.

Section 616 Restrictions on Debt. The Corporation shall not, except as expressly permitted by this Indenture and the other Security Documents, issue any short-term or long-term obligations of any nature whatsoever payable from the Revenues or the Funds or Accounts or secured by a lien thereon or a pledge or assignment thereof, or secured by a lien, mortgage or encumbrance of any kind upon the interest of the Corporation in the UNDC Properties, the Mortgaged Property, or any portion thereof, unless any such lien, pledge, assignment, mortgage or encumbrance is made expressly subject and subordinate to the lien and pledge of this Indenture and the other Security Documents, provided that nothing contained in this Section 616 shall be

construed as a limitation or restriction on the Corporation incurring debt in connection with the usual and ordinary operation or maintenance of the UNDC Properties, including debt incurred in the form of short- or long-term leases for equipment or other items used or to be used in the usual and ordinary operation or maintenance of the UNDC Properties.

Section 617 Disposition of the UNDC Properties. The Corporation shall not, except as permitted by this Indenture and the other Security Documents, sell, transfer, mortgage, pledge, assign or otherwise dispose of or grant a security interest in its interest in the UNDC Properties, or any part thereof (other than the transfer of the Three U.N. Plaza Building to UNICEF or the United Nations upon the expiration of the UNICEF Lease). Subject to Section 615, but notwithstanding any other provision of this Indenture or any other Security Document, so long as the Backup Lease and the Support Agreement remain in effect, the Corporation may take such actions as it deems necessary or desirable to prepare for (but not carry out) the disposition of the UNDC Properties in whole or in part, including entering into any agreements with any tenants of the UNDC Properties for such tenants to vacate and cease paying rent for any portion of the UNDC Properties. The Corporation may also sell, transfer, mortgage, pledge, assign or otherwise dispose of or grant a security interest in its interest in the UNDC Properties, or any part thereof, subject to delivery to the Trustee of an Officer's Certificate describing the sale, transfer, mortgage, pledge, assignment or other type of transaction, (ii) application of the proceeds thereof, if any, to the purchase, redemption or defeasance of Bonds, and (iii) delivery to the Trustee of an Officer's Certificate stating that the Corporation has received Rating Confirmation with respect to all Outstanding uninsured Bonds.

Section 618 Manner of Completion. The Corporation shall undertake to timely complete the acquisition, construction, reconstruction, rehabilitation or improvement (including repair, alteration, renovation and restoration) of the Project, substantially in accordance with the plans and specifications set forth under each of the UNDP Lease and the United Nations Lease so long as they remain in effect; provided, however, the Corporation may from time to time revise the scope of such work to the extent provided in the UNDP Lease and the United Nations Lease; and provided further, the failure to complete the Project in accordance with the UNDP Lease and the United Nations Lease shall not be an Event of Default hereunder, provided that the foregoing shall not vitiate any Event of Default arising in connection with any such failure.

ARTICLE VII

REDEMPTION OF BONDS

Section 701 Privileges of Redemption and Redemption Prices. The Bonds of any Series which are redeemable prior to maturity shall be subject to redemption by or on behalf of the Corporation prior to maturity upon receipt by the Trustee of the Officer's Certificate referred to in Section 510 (except that sinking fund installment redemptions of Bonds as provided in the applicable Supplemental Indenture authorizing the issuance thereof shall not require such Officer's Certificate or any request by or notification from the Corporation) and upon such notice as provided in this Article, to such extent, through application of such money, at such time or times, in such order, and on such other terms and conditions as shall be provided by this Indenture and referred to in said Bonds, and in all cases at a price equal to the principal amount of each Bond or portion thereof to be redeemed plus such redemption premium or differing redemption premiums

(if any), expressed as a percentage of such principal amount, as shall be set forth in said Bonds and applicable upon such redemption, together with interest accrued and unpaid to the redemption date. If less than all of the Bonds of such Series of like maturity then Outstanding are to be redeemed, the particular Bonds to be redeemed shall be selected as requested by an Authorized Officer, either in accordance with DTC's practice or by lot in such manner as the Trustee may determine, except as otherwise provided in the Supplemental Indenture authorizing the issuance thereof.

Section 702 Selection of Bonds to be Redeemed by Lot. In the event of redemption by lot of Bonds of like Series and maturity, and except as otherwise provided in the Supplemental Indenture, the Trustee shall assign to each registered Bond of such Series and maturity then Outstanding, a distinctive number for each \$5,000 of the principal amount of such Bond and shall select by lot, using such method of selection as it shall deem proper in its discretion and the numbers so assigned to such Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. For the purposes of this Section, Bonds which have theretofore been selected by lot for redemption shall not be deemed Outstanding.

Section 703 Notice of Redemption. When the Trustee shall be required or authorized, or shall receive notice from the Corporation of its election, to redeem Bonds, the Trustee shall in accordance with the terms and provisions of the Bonds and of this Indenture, select the Bonds to be redeemed and shall give notice, in the name of the Corporation, of the redemption of Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of a Bond to be redeemed in part only, such notice shall also specify the portion of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portion of the principal thereof in the case of a Bond to be redeemed in part only, together with interest accrued to such date, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail a copy of such notice, postage prepaid, not less than 20 days before such redemption date, to the Owner of any Bond all or a portion of which is to be redeemed, at his last address, if any, appearing upon the registration books of the Corporation, but failure so to mail any such notice to any particular Owner of a Bond shall not affect the validity of any proceedings for the redemption of any other Bond. If at the time of notice of any optional redemption of the Bonds there have not been deposited with the Trustee moneys available for payment pursuant to this Indenture and sufficient to redeem all of the Bonds called for redemption, the notice may state that it is conditional in that it is subject to the deposit of sufficient moneys by not later than the redemption date, and if the deposit is not timely made the notice shall be of no effect.

Section 704 Corporation's Election to Redeem. The Corporation shall give written notice to the Trustee of its election to redeem Bonds which are subject to redemption and of the

redemption date, which notice shall be given at least 23 days prior to the redemption date or at such later date as shall be acceptable to the Trustee.

Section 705 Payment of Redeemed Bonds. Notice having been given in the manner and to the extent provided in Section 703, the Bonds or portions thereof called for redemption and specified in said notice shall become due and payable on the redemption date specified in said notice at the Redemption Prices thereof applicable on such date, plus unpaid interest on said Bonds or portions thereof accrued to such date, and, upon presentation and surrender thereof at the place or places specified in said notice together with a written instrument of transfer duly executed by the registered owner thereof or by his attorney duly authorized in writing, said Bonds or portions thereof shall be paid at the said Redemption Prices, plus unpaid interest on said Bonds or portions thereof accrued to such date. If there shall be so called for redemption less than all of a Bond, the Corporation shall execute and cause to be delivered, upon the surrender of such Bond to the Trustee, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, Bonds of like Series, designation, interest rate and maturity in any of the authorized denominations. If, on such redemption date, money for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest thereon accrued and unpaid to such date, shall be held by or on behalf of the Trustee so as to be available therefor on such date, then from and after such redemption date, interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable, and said Bonds shall no longer be considered as Outstanding hereunder. All money held by or on behalf of the Trustee for the redemption of particular Bonds shall be held in trust for the account of the holders of the Bonds so to be redeemed.

ARTICLE VIII

REMEDIES ON DEFAULT

Section 801 Powers of Trustee. The Corporation hereby determines that there shall be and there hereby are, vested in the Trustee, in addition to all its property, rights, powers and duties mentioned or referred to in any other provision of this Indenture, the rights, powers and duties in this Article provided in trust for the Owners.

Section 802 Events of Default. Each of the following shall constitute an event of default under this Indenture and is herein called “Event of Default”, that is to say, in case:

(1) interest on any of the Bonds shall become due on any date and shall not be paid on said date, or the principal, including through Sinking Fund Installments, or Redemption Price of any of the Bonds shall become due on any date, whether at maturity or upon call for redemption and shall not be paid on said date;

(2) a default shall be made in the observance or performance of any covenant, contract or other provision in the Bonds or any Security Document contained (other than a default constituting an Event of Default pursuant to clause (1) of this Section 802) and such default shall continue for a period of 90 days after written notice to the Corporation and the Trustee from the Owners of not less than 25% of the aggregate principal amount of the Outstanding Bonds or to the Corporation from the Trustee specifying such default and requiring the same to be remedied; but

so long as the Corporation is not in default under the Declaration, the Backup Lease, the Bishop Lease or the City Leases and if the Corporation commences curing the Event of Default within such 90 days after such notice and is using its best efforts to cure, all as evidenced by an Officer's Certificate delivered to the Trustee to such effect, no Event of Default shall be deemed to occur on the expiration of the 90 days; and

(3) there shall be filed by the Corporation a petition seeking a composition of indebtedness under any applicable law or statute of the United States of America or of the State.

Section 803 Enforcement by Trustee. Upon the happening and continuance of an Event of Default described in clause (1), (2) or (3) of Section 802, the Trustee (i) shall act as a prudent person would in such circumstances, and (ii) in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Owners of all Bonds, may proceed, and upon written request of the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding or upon the written request of the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding with respect to which such Event of Default described in clause (1) has happened, shall proceed, to protect and enforce its rights and, to the full extent that the Owners of the Bonds themselves might do, the rights of such Owners under the laws of the State or under this Indenture or under any other Security Document by such suits, actions or proceedings in equity or at law, either for the specific performance of any covenant or contract contained herein, in any other Security Document or in aid or execution of any power herein granted or in any other Security Document or for any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce the rights aforesaid and, without limiting the generality of the foregoing, by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and insure the rights of Owners:

(1) by suit, action or proceeding for specific performance in equity to require the Corporation to collect Revenues as required by Section 502;

(2) by suit or action upon the Bonds or any Security Document (including the commencement of a foreclosure action under the Mortgage, the appointment of a receiver over the Corporation and the exercise of all of the rights and remedies of a secured party under the Uniform Commercial Code of the State of New York);

(3) by action or suit to require the Corporation to account as if it were the trustee of an express trust for the Owners of the Bonds;

(4) by action or suit to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds; or

(5) If an Event of Default described in clause (1) of Section 802 has happened, or if so requested by the Owners of all the Outstanding Bonds, by declaring all Bonds due and payable, but such declaration shall be made only after 30 days' notice in writing from the Trustee to the Governor of the State, to the Mayor of the City, to the Corporation, to the Attorney General of the State and to the Corporation Counsel of the City of the Trustee's intention to declare all Bonds due and payable.

Section 804 Enforcement of Declaration and Bishop Lease. (A) Under the terms of the Bishop Lease, the Trustee is referred to as the “leasehold mortgagee” and is given certain rights and powers therein to remedy defaults by the Corporation. The landlord under the Bishop Lease shall be notified as required in Article XIV, Section 1 of the Bishop Lease that the Trustee is acting as “leasehold mortgagee”, first leasehold mortgagee, First Institutional Leasehold Mortgagee and in the other capacities referred to in such Section (collectively called “leasehold mortgagee”) and, as such, the Trustee may, and upon written request of Owners of at least 25% of the principal amount of Bonds Outstanding shall, do all things necessary, subject to Article XI, to protect the interests of the Owners of the Bonds by exercise of the rights and powers granted the “leasehold mortgagee” under the Bishop Lease including the withdrawal of amounts from such Funds as it shall determine for the purpose of paying expenses in connection therewith and including the giving of notices as provided in the Two U.N. Plaza City Lease.

(B) In connection with Section 903 and not in limitation thereof, the Trustee is authorized to perform its duties under this Section 804 either directly or by or through any agents or attorneys.

(C) The Trustee shall not be obligated to use its own funds for purposes of Section 804(A) and as a “leasehold mortgagee” as aforesaid, may, but shall have no responsibility to make, any independent determinations with respect to any insurance required by the Bishop Lease or to make any determinations under Article V, Section 2(c) of the Bishop Lease.

(D) The Corporation shall give the Trustee written notice of any default by the Corporation under the Declaration and/or of the Corporation’s receipt of any notice of default from the board of managers under the Declaration. The Trustee may, and upon written request of Owners of at least 25% of the principal amount of Bonds Outstanding shall, withdraw amounts from such Funds as it shall determine for the purpose of curing a default under the Declaration and paying expenses in connection therewith. In connection with Section 903 and not in limitation thereof, the Trustee is authorized to perform its duties under this Section 804(D) either directly or by or through any agents or attorneys. The Trustee shall not be obligated to use its own funds for purposes of this Section 804(D) or to make any determinations as to the existence or non-existence of a default under the Declaration or of a notice of default from the board of managers under the Declaration.

Section 805 Representation of Owners by Trustee. The Trustee is hereby irrevocably appointed (and the Owners, by accepting and holding the same, shall be conclusively deemed to have so appointed the Trustee and to have mutually covenanted and agreed, each with the other, not to revoke such appointment) the true and lawful attorney-in-fact of the Owners with power and authority, at any time in its discretion but at all times consistent with the provisions of Section 803:

(1) Pursuant to this Indenture or the Act or any law, after the happening of an Event of Default, (a) by action in lieu of mandamus or other prerogative writ or by other suit, action or proceeding in equity or at law, to enforce all rights of the Owners including the right to require the Corporation to fulfill any covenant or agreement with the Owners and to perform its duties under this Indenture, under any other Security Document and the Act, (b) to bring suit upon the Bonds, (c) by action or suit in equity, to require the Corporation to account as if it were a trustee

of an express trust for the Owners, or (d) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners; and

(2) To make and file in any proceeding in bankruptcy or judicial proceeding for reorganization or liquidation of the affairs of the Corporation either in the respective names of the Owners or on behalf of all the Owners as a class, any proof of debt, amendment of proof of debt, petition or other document, to receive payment of any sums becoming distributable to the Owners, and to execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Owners against the Corporation allowed in any bankruptcy or other proceeding.

Section 806 Limitation on Powers of Trustee. Nothing in this Indenture contained shall be deemed to give power to the Trustee either as such or as attorney-in-fact of the Owners to vote the claims of the Owners in any bankruptcy proceeding or to accept or consent to any plan of reorganization, readjustment, arrangement or composition or other like plan, or by other action of any character to waive or change any right of any Owner or to give consent on behalf of any Owner to any modification or amendment of this Indenture requiring such consent or to any Supplemental Indenture requiring such consent pursuant to the provisions of Section 1009.

Section 807 Action by Trustee. (A) All rights of action under this Indenture, under any other Security Document or upon any of the Bonds, enforceable by the Trustee, may be enforced by the Trustee without the possession of any of the Bonds, or the production thereof on the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee may be brought in its name for the ratable benefit of the Owners of said Bonds, subject to the provisions of this Indenture.

(B) In the enforcement of any rights under this Indenture or under any other Security Document, but at all times consistent with the provisions of Section 803, the Trustee shall be entitled to sue for, enforce payment of, and to receive any and all amounts then or during any default becoming, and at any time remaining, due for principal, interest or otherwise under any of the provisions of the Act or this Indenture or of the Bonds and unpaid, with interest on overdue payments, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Owners, and to recover and enforce judgment or decree against the Corporation for any portion of such amounts remaining unpaid with interest, costs and expenses as aforesaid, and to collect in any manner provided by law, the money adjudged or decreed to be payable.

(C) In connection with, but not in limitation of Section 906, in any action, suit or other proceeding by the Trustee, the fees, counsel fees and expenses of the Trustee shall constitute taxable costs and disbursements, and all costs and disbursements shall be a first charge on the Revenues.

(D) As provided in the Act, the Supreme Court of the State shall have jurisdiction of any suit, action or proceeding by or on behalf of any Owner in its capacity as such. The venue of any such suit, action or proceeding shall be laid in the county in which the principal office of the Corporation shall then be located.

Section 808 Accounting and Examination of Records after Default. The Corporation covenants with the Trustee that, if an Event of Default shall have happened and shall not have been remedied (1) the books of record and account of the Corporation and all records, relating to the UNDC Properties shall at all times be subject to the inspection and use of the Trustee and the Bondholder Representative, if any, and of their agents and attorneys, and (2) the Corporation whenever the Trustee shall demand, will account, as if it were the trustee of an express trust, for all Revenues and other money, securities and funds pledged or held under this Indenture for such period as shall be stated in such demand.

Section 809 Restriction on Owner's Action. No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any provision of this Indenture or any other Security Document or for the execution of any trust hereunder or for any other remedy hereunder, unless such suit, action or proceeding is brought for the ratable benefit of all Owners of all Bonds, subject to the provisions of this Indenture, and (1)(a) such Owner previously shall have given to the Corporation and the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (b) after the occurrence of such Event of Default, written request shall have been made of the Trustee to institute such suit, action or proceeding by the Owners of not less than 25% in principal amount of the Bonds then Outstanding or, if such Event of Default is an Event of Default described in clause (1) or clause (3) of Section 802, by the Owners of not less than 25% in principal amount of the Bonds then Outstanding of the Series with respect to which such Event of Default has happened, and there shall have been offered to the Trustee insurance or indemnity satisfactory to it against the costs and liabilities to be incurred therein or thereby, and (c) the Trustee shall have refused or neglected to comply with such request within 60 days of its receipt of such notice, request and offer of indemnity, or (2) such Owner previously shall have obtained the written consent of the Trustee to the institution of such suit, action or proceeding.

Section 810 Application of Money after Default. (A) After an Event of Default all money received in connection with the enforcement of remedies under Section 803, including amounts collected through the enforcement of any Security Document, moneys paid and credited to the Revenue Fund and all other money from time to time in such Revenue Fund, shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of Article V.

(B) In the event that at any time after an Event of Default the money in the Revenue Fund and any other funds held by the Corporation or the Trustee or Paying Agents available for the payment of interest or principal or Redemption Price then due with respect to Bonds shall be insufficient for such payment or redemption, such money and funds (other than funds held for the payment or redemption of particular Bonds as provided in Section 1001 or Section 1004) shall be applied as follows (subject in any event to Section 906):

FIRST: To the payment to the persons entitled thereto of all installments of interest then due on Bonds in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any such installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

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

(C) The provisions of Paragraph (B) of this Section are in all respects subject to the provisions of Sections 402, 602 and 814.

Section 811 Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to Owners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute, except as provided in Section 806, Section 809 and Section 814.

Section 812 Control of Proceedings. In the case of an Event of Default described in Section 802, the Owners of a majority in principal amount of the Bonds then Outstanding, shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee; provided, however, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to Owners not parties to such direction.

Section 813 Effect of Waiver and Other Circumstances. No delay or omission of the Trustee or of any Owners of Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein, and every right, power and remedy given by this Indenture to them or any of them may be exercised from time to time and as often as may be deemed expedient by the Trustee or, in any appropriate case, by the Owners. In case the Trustee shall have proceeded to enforce any right under this Indenture, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Corporation and the Trustee will be restored to their former positions and rights hereunder with respect to all rights, remedies and powers of the Trustee, which shall continue as if no such proceedings had been taken.

Section 814 Subordination. No claim for interest appertaining to any of the Bonds which in any way at or after maturity shall have been transferred or pledged separate and apart from the Bond to which it appertains shall, unless accompanied by such Bond, be entitled in case of an Event of Default hereunder to any benefits by or from this Indenture except after the prior payment in full of the principal and Redemption Price of all of the Bonds then due and of all claims for interest then due not so transferred or pledged.

Section 815 Right to Enforce Payment of Bonds Unimpaired. Nothing contained in this Article shall affect or impair the right of any Owner to the same extent permitted the Trustee, but only in the priority for such payment as herein provided, to enforce the payment of the principal of and interest on her, his or its Bonds or the obligation of the Corporation to pay the principal of and interest on each Bond to the Owner thereof at the time and place specified in said Bond but only in the priority for such payment as herein provided.

ARTICLE IX

THE FIDUCIARIES

Section 901 Trustee and Depositaries: Appointment and Acceptance of Duties. The property, rights, powers and duties of the Trustee under this Indenture are vested in the Trustee in trust for the Owners pursuant to the terms and provisions, and in the order of priority set forth herein, and by execution of this Indenture, the Trustee accepts the appointment as Trustee. The Corporation may appoint one or more Depositaries by, or pursuant to, resolution of the Corporation and fully qualified to receive deposits of money of the Trustee. The Depositaries shall signify their acceptance of the duties and obligations imposed upon them by this Indenture and any other Security Document by executing and delivering to the Corporation and the Trustee a written acceptance thereof. The Trustee represents that it has and any successor Trustee shall have a capital and surplus aggregating at least \$50,000,000 and each Depositary shall have a capital and surplus aggregating at least \$25,000,000. The Trustee shall itself be deemed to be a Depositary for all purposes of this Indenture.

Section 902 Paying Agents. The Corporation pursuant to the First Supplement has appointed the Trustee as Paying Agent with respect to the 2025 Bonds. The Corporation shall appoint one or more Paying Agents for each Series of Bonds by a Supplemental Indenture adopted prior to their delivery, and may at any time or from time to time by supplemental indenture appoint one or more other Paying Agents for any Series of Bonds. Each Paying Agent shall be a bank, trust company or national banking association, having trust powers and having a capital and surplus aggregating at least \$25,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture each other Security Document. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Corporation and the Trustee a written acceptance thereof. The Trustee may be appointed and may act as a Paying Agent.

Section 903 Responsibilities of Fiduciaries. (A) The recitals of fact herein and in the Bonds contained herein shall be taken as the statements of the Corporation and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Indenture or of any Bonds issued hereunder or in respect of the security afforded by this Indenture and the other Security Documents and no Fiduciary shall incur any responsibility in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds thereof except the Trustee to the extent such proceeds are paid to the Trustee in its capacity as Trustee, or the application of any money paid to the Corporation or others in accordance with this Indenture and the other Security Documents. No Fiduciary shall be under any

responsibility or duty with respect to the application of any money paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any action or suit in respect of this Indenture or the Bonds, or to advance any of its own money, unless properly indemnified. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

(B) Prior to the occurrence of an Event of Default actually known to an officer of the Corporate Trust Services department of the Trustee or of which the Trustee has received written notice by the Corporation, any Fiduciary, any Owner of the Bonds, the landlord under the Bishop Lease, the board of managers under the Declaration, the City, the United Nations or the UNDP, or after the curing of any Event of Default which may have occurred, the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(C) In the absence of negligence or willful misconduct on its part, each Fiduciary may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to such Fiduciary and conforming to the requirements of this Indenture or any other Security Document; but in the case of any such certificates or opinions which by any provisions hereof are specifically required to be furnished to such Fiduciary, such Fiduciary shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture or any other Security Document.

(D) No Fiduciary shall be liable for any error of judgment made in good faith by an officer in its Principal Office, unless it shall be proved that such Fiduciary was negligent in ascertaining the pertinent facts.

(E) Each Fiduciary may execute any of its trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and no Fiduciary shall be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(F) No Fiduciary shall be responsible for the recording or re-recording or the filing or re-filing of this Indenture or any financing statements or continuation statements or be bound to ascertain or inquire as to the performance or observance by the Corporation of any covenants, agreements or conditions under this Indenture, the Mortgage the Declaration, the Bishop Lease, the City Leases, the United Nations Lease, the UNDP Lease or the UNICEF Lease.

(G) The Trustee shall not be required to take notice or be deemed to have notice of any default under the Declaration or the Bishop Lease, unless the Trustee shall be specifically notified in writing of such default by the Corporation, the board of managers under the Declaration, the landlord under the Bishop Lease or the holders of at least 10% in principal amount of the Bonds or unless an officer in the Trustee's Corporate Trust Services Department shall have actual knowledge thereof. All notices or the instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Notice Address of the Trustee, Attention: Corporate Trust Services, and in the absence of such notice so delivered or such actual knowledge the Trustee may conclusively assume there is no default except as aforesaid.

(H) The Trustee shall have the right to accept and act upon instructions or directions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means. If the Corporation elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Corporation understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer. The Corporation shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Corporation and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Corporation. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Corporation agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Corporation; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. For the purposes of this section, “Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

(I) The permissive rights of the Trustee hereunder or the other Security Documents shall not be construed as duties.

Section 904 Funds Held in Trust. All money held by any Fiduciary, as such, at any time pursuant to the terms of this Indenture shall be and hereby are assigned, transferred and set over unto such Fiduciary in trust for the purposes and under the terms and conditions of this Indenture.

Section 905 Evidence on which Fiduciaries May Act. Each Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the Corporation, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever any Fiduciary shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officer’s Certificate stating the same and such Officer’s Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Indenture upon the faith thereof, but in its discretion the Fiduciary may in lieu thereof accept

other evidence of such fact or matter or may require such further or additional evidence of such fact or matter or may require such further or additional evidence or opinions of counsel as to it may seem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by or on behalf of the Corporation to any Fiduciary shall be sufficiently executed if executed by an Authorized Officer.

Section 906 Compensation and Expenses. Unless otherwise provided by contract with the Fiduciary, the Corporation shall pay to each Fiduciary from time to time reasonable compensation for all services rendered by it hereunder, and also reimbursement for all its reasonable expenses, charges, legal and engineering fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the acceptance and the performance of its powers and duties hereunder, and each Fiduciary shall have a lien therefor on any funds at any time held by it under any provision hereof other than the Debt Service Fund and the Redemption Fund and other than Section 1001 or Section 1004, which lien shall be deemed to be senior to that of the Owners of the Bonds. The Corporation shall indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its negligence or willful misconduct. Each Fiduciary shall not be obligated to use its own funds for purposes of performing its duties hereunder.

Section 907 Certain Permitted Acts. Any Fiduciary may become the owner of or may deal in Bonds as fully and with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Owners of a majority in principal amount of the Bonds outstanding.

Section 908 Resignation of Fiduciary. A Fiduciary, or any successor thereof, may at any time resign and be discharged of its duties and obligations created by this Indenture by giving not less than 30 days' written notice to the Corporation, each other Fiduciary and the Owners of the Bonds, specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. Such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Corporation or Owners as herein provided, in which event such resignation shall take effect immediately on the appointment of such successor.

Section 909 Removal. A Fiduciary, or any successor thereof, may be removed at any time by the Owners of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Corporation, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners or by their attorneys duly authorized in writing and delivered to the Corporation and any then serving Trustee being removed. Upon receipt by the Corporation, copies of each such instrument shall be delivered by the Corporation to each other Fiduciary and any successors thereof.

Section 910 Appointment of Successor Fiduciary. In case at any time a Fiduciary, or any successor thereof, shall resign or shall be removed or shall become incapable of acting or shall

be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of such Fiduciary or of its property shall be appointed, or if any public officer shall take charge or control of such Fiduciary or of its property or affairs, a successor may be appointed by the Owners of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Corporation, by an instrument or concurrent instruments in writing signed by such Owners or their attorneys duly authorized in writing and delivered to such successor Fiduciary. Notification thereof shall be given to the Corporation, the predecessor Fiduciary and any other Fiduciaries. Pending such appointment, the Corporation shall forthwith appoint a Fiduciary to fill such vacancy until a successor Fiduciary shall be appointed by Owners as herein authorized. The Corporation shall provide written notice to Owners of the Bonds within 20 days after such appointment. Any successor Fiduciary appointed by the Corporation shall, immediately and without further act, be superseded by a Fiduciary appointed by Owners. If in a proper case no appointment of a successor Fiduciary shall be made pursuant to the foregoing provisions of this Section within 45 days after the Fiduciary shall have given to the Corporation written notice as provided in Section 908 or after the occurrence of any other event requiring or authorizing such appointment, the Fiduciary or any other Fiduciary or any Owner may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as said court may deem proper and prescribe, appoint such successor Fiduciary. Any Fiduciary appointed under the provisions of this Section shall be a bank or trust company or a national banking association, doing business and having its principal office in the Borough of Manhattan, City and State of New York, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all duties imposed upon it by this Indenture and the other Security Documents.

Section 911 Transfer of Rights and Property to Successor Fiduciary. Any successor Fiduciary appointed hereunder shall execute, acknowledge and deliver to its predecessor Fiduciary, and also to the Corporation, an instrument accepting such appointment, and thereupon such successor Fiduciary, without any further act, deed or conveyance, shall become fully vested with all money, estates, properties, rights, powers, duties and obligations of such predecessor Fiduciary, with like effect as if named herein as such Fiduciary, but the Fiduciary ceasing to act shall nevertheless, on the written request of the Corporation or of the successor Fiduciary, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Fiduciary all the right, title and interest of the predecessor Fiduciary in and to any property held by it under this Indenture or any other Security Document, and shall pay over, assign and deliver to the successor Fiduciary (subject to payment of amounts due it pursuant to Section 906) any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Corporation be required by such successor Fiduciary for more fully and certainly vesting in and confirming to such successor Fiduciary any such money, estates, properties, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Corporation. Any such successor Fiduciary shall promptly notify the other Fiduciaries of its appointment as such Fiduciary.

Section 912 Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which such

Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company or national banking association which is qualified to be a successor to such Fiduciary under Section 910 and shall be authorized by law to perform all the duties imposed upon it by this Indenture or any other Security Document, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

Section 913 Non-Disturbance Agreements. Upon filing with the Trustee at any time and from to time of an Officer's Certificate requesting execution by the Trustee of a non-disturbance agreement (a) in favor of the tenant under the United Nations Lease, (b) in favor of the tenant under the UNDP Lease, or (c) in favor of any other tenant under a lease for office space in the UNDC Properties occupying not less than one (1) full floor, the Trustee shall execute such agreement in form reasonably satisfactory to the Trustee and deliver same as directed in such Officer's Certificate. An Officer's Certificate may be filed with the Trustee and a non-disturbance agreement may be executed and completed on terms no less favorable to the Corporation, when compared to relevant market terms as of the date of such lease, than the terms of the United Nations Lease and the UNDP Lease as compared to relevant market terms as of the date hereof.

Section 914 Payment Procedures for Certain Nominee Owners. The Trustee is authorized by the Corporation to enter into such customary payment (including providing for payment of principal, Redemption Price, if any, or interest on the Bonds by wire transfer to Owners of Bonds in aggregate principal amount at least equal to \$2,000,000) and notice procedures as are satisfactory to the Trustee in connection with registration of Bonds with institutional nominee Owners, including without limitation, DTC or its nominee.

ARTICLE X

MISCELLANEOUS

Section 1001 Defeasance. (A) If the Corporation shall pay or cause to be paid to the Owners of the Bonds, the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in this Indenture, then, unless there shall be an Officer's Certificate delivered to the Trustee to the contrary, the pledge of the Revenues and other money, securities and funds hereby pledged and the covenants, agreements and other obligations of the Corporation to the Owners hereunder and under the other Security Documents shall be discharged and satisfied. In such event (i) the Trustee shall, upon the request of the Corporation expressed in an Officer's Certificate delivered to the Trustee and the Fiduciaries, execute and deliver to the Corporation all such instruments as may be desirable and requested by the Corporation to evidence such discharge and satisfaction and the Fiduciaries shall pay over and deliver to the Corporation all money or securities held by them pursuant to this Indenture (subject to payment of amounts due them pursuant to Section 906) which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption and (ii) applicable provisions of this Indenture, including without limitation those pertaining to transfers and exchanges of Bonds, the rights and immunities of Fiduciaries, and the payment of Principal Installments of and the interest and redemption premium on Outstanding Bonds and of any other obligations payable by the Corporation hereunder, shall be continued in force until all such payments shall have been made.

(B) Any Bonds and interest installments appertaining thereto for the payment or redemption of which money shall have been deposited with the Trustee by or on behalf of the Corporation, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning of this Section; provided, however, that if any such Bonds are to be redeemed prior to maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision satisfactory to the Trustee shall have been made for the giving of such notice. No money so deposited with the Trustee shall be withdrawn or used for any purpose other than, and all such money shall be held in trust for and be applied to, the payment, when due, of the principal or Redemption Price of the Bonds for the payment or redemption of which they were deposited and the interest accrued thereon to the date of maturity or redemption, excepting only that (a) any money so held by the Trustee for the payment to the holders of any particular Bonds of principal or Redemption Price of or interest on, such Bonds shall be invested by the Trustee, upon receipt of a copy of a resolution of the Corporation, certified by the Secretary, authorizing such investment, in such Investment Obligations described in (i) and (ii) of the definition thereof in Section 101 as the Corporation may approve, provided that a principal amount of such Investment Obligations at least equal to the amount of money required for the payment on any future date of the interest on or principal or Redemption Price of such Bonds shall mature on or before said future date, and (b) all interest on all such investments shall be paid over to the Corporation as received by the Trustee, free and clear of any trust, lien or pledge.

(C) As an alternative cumulative to and not excluding the provisions of Paragraph (B) of this Section, any Bonds and interest installments appertaining thereto, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning of this Section if (1) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision satisfactory to the Trustee shall have been made for the giving of such notice, and (2) there shall have been deposited with the Trustee by or on behalf of the Corporation either (a) money in an amount which shall be sufficient, or (b) Investment Obligations described in (i) and (ii) of the definition thereof in Section 101 the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be. Neither such Investment Obligations or any money so deposited with the Trustee nor any money received by the Trustee on account of principal of or interest on said Investment Obligations shall be withdrawn or used for any purpose other than, and all such money shall be held in trust for and be applied to, the payment, when due, of the principal or Redemption Price of the Bonds for the payment or redemption of which they were deposited and the interest accrued thereon to the date of maturity or redemption.

(D) Anything in this Indenture to the contrary notwithstanding, any money held by a Fiduciary in trust for the payment and discharge of any of the Bonds or interest thereon which remains unclaimed for 2 years after the date when such Bonds or interest thereon have become due and payable, either at maturity or by call for redemption or on an Interest Payment Date, if such money were held by the Fiduciary at said date or for two years after the date of deposit of such money if deposited with the Fiduciary after the said date when such Bonds or interest thereon

became due and payable, shall, at the request of the Corporation expressed in Officers' Certificates delivered to the Trustee, be paid by the Fiduciary to the Corporation as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Owners of such Bonds shall look only to the Corporation for the payment thereof.

(E) At such time as a Bond shall be deemed to be no longer Outstanding hereunder, such Bond shall at the option of the Corporation no longer be entitled, but may be subject, to the provisions hereof for the mandatory redemption of Term Bonds by application of Sinking Fund Installments prior to maturity.

Section 1002 Evidence of Signatures of Owners and Ownership of Bonds. (A) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly authorized in writing. Proof of (1) the execution of any such instrument, or of any instrument appointing or authorizing any such attorney, or (2) the holding by any person of any Bonds shall be sufficient for any purpose of this Indenture if made in the following manner, or in any other manner satisfactory to the Trustee which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable.

(B) The fact and date of the execution by any Owner or his attorney of any such instrument may be proved (1) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer, or (2) by the certificate, which need not be acknowledged or verified, of an officer of a bank, trust company or financial firm or corporation (including members of the National Association of Securities Dealers, Inc.) satisfactory to the Trustee that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

(C) The authority of a person or persons to execute any such instrument on behalf of a corporate Owner 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 is attested by a person purporting to be its secretary or assistant secretary.

(D) The holding of Bonds, the amount, numbers and other identification thereof, and the date of holding the same, shall be proved by the registration books of the Corporation.

(E) Any request, consent or other instrument executed by the holder of any Bond shall bind all future holders of such Bond or any Bond issued in exchange therefor or by registration or transfer therefor in respect of anything done or suffered to be done hereunder by the Corporation or any Fiduciary in accordance therewith.

(F) The Corporation or the Trustee may in its discretion establish special record dates for the determination of the Owners of Bonds for various purposes hereof, including without limitation giving direction to the Trustee.

Section 1003 Date and Other Details of Documents Delivered to Fiduciaries. All documents delivered to the Trustee with respect to the delivery of the Bonds of a Series shall be dated as of the date of the delivery of such Bonds by the Corporation. All other documents delivered to any Fiduciary pursuant hereto, including documents signed by any Authorized Officer and Accountant's Certificates, Counsel's Opinions and Officer's Certificates but not including Bonds or any documents signed by any Owner or Fiduciary, shall be dated as of the date of delivery thereof and, in the case of documents delivered to the Trustee pursuant to Section 1009 with respect to a Supplemental Indenture, as of a date on or subsequent to the date of execution and delivery by the Corporation of such Supplemental Indenture. Whenever a document delivered or to be delivered to the Trustee with respect to the delivery of the Bonds of a Series is described as referring in any way to any other document or to a fact or amount stated or set forth in such other document, the other document so referred to is and shall be a document delivered to the Trustee with respect to the delivery of the Bonds of the same Series. Matters required to be stated in any document signed by any Authorized Officer or in any Accountant's Certificate, Counsel's Opinion or Officer's Certificate may be stated in separate documents of the required description or may be included in one or more thereof.

Section 1004 Money Held for Particular Bonds. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, pending such payment, be set aside and held in trust by it for the holders of the Bonds entitled thereto, and for the purposes of this Indenture such interest, principal or Redemption Price, after the due date thereof, shall no longer be considered to be unpaid.

Section 1005 General Regulations as to Money and Funds. (A) Each of the Funds and Accounts held by a Fiduciary shall be a trust fund for the purpose thereof. Money in each of said Funds and Accounts, on written instructions by an Authorized Officer specifying the Investment Obligations and certifying that such obligations constitute Investment Obligations permitted under this Indenture, shall be invested by the Fiduciary holding the same in Investment Obligations, the maturity or redemption or repossession date at the option of the holder of which shall coincide as nearly as practicable with (but shall not be later than) the times at which money in said Funds or Accounts will be required for the purposes in this Indenture provided. Any Fiduciary shall be permitted to purchase or make investments from or through its own commercial banking department.

(B) In lieu of the investment of money in Investment Obligations as authorized in this Section, a Fiduciary shall, upon written direction of an Authorized Officer of the Corporation, deposit money held by it hereunder in certificates of deposit or interest-bearing time deposits, or shall make other similar banking arrangements with its own commercial banking department or another bank, trust company, national banking association or federally or state chartered savings and loan association in the United States qualifying as a Depositary and with security as provided in paragraph (C) of this Section and subject to the following additional conditions:

(1) not over 25% of the total amount of funds of the Corporation (including Investment Obligations and secured and unsecured deposits) held in all Funds and Accounts created by this Indenture shall be deposited in any such account or under any such arrangement,

unless the amount in excess of 25% is continuously secured as provided in paragraph (C) of this Section;

(2) not more than 5% of such total amount of funds shall be deposited in any such account or under any such arrangement with any one Fiduciary or other financial institution, unless the amount in excess of 5% is continuously secured as provided in paragraph (C) of this Section;

(3) no such deposit or arrangement shall be made with any Fiduciary or other institution having a combined capital and surplus (or, in the case of a savings and loan association, combined general reserves and surplus) less than \$50,000,000, or which is not a member of the Federal Reserve System or of the Federal Home Loan Bank System, as certified by its authorized officer to the Trustee and the Corporation, unless the total amount thereof is continuously secured as provided in paragraph (C) of this Section; and

(4) no such unsecured deposit or arrangement shall be made with any Fiduciary or other financial institution until it and the Trustee has received an Officer's Certificate stating that the amount thereof is authorized under the provisions of this paragraph (B).

(C) In the event that the total amount of funds of the Corporation deposited with any Fiduciary in uninvested trust accounts and time deposits and under certificates of deposit or similar banking arrangements with its commercial banking department or another bank, trust company, national banking association or federally or state chartered savings and loan association (but excluding (i) any funds held by it as Paying Agent in trust for the payment of particular Bonds, (ii) any funds held less than 3 working days pending investment or disbursement, (iii) Investment Obligations held by it in safekeeping, (iv) repurchase agreements for a term not exceeding 90 days, and (v) such amount of the deposits as is insured by federal deposit insurance or federal savings and loan insurance) at any time exceeds 10% of the amount of its combined capital and surplus (or, in the case of a savings and loan association its combined general reserve and surplus), then the amount of such deposited funds in excess of this amount shall be continuously secured by the pledge and assignment to the Corporation and the Trustee of Investment Obligations having a market value equal at all times to said total amount of deposits. Each Fiduciary, upon appointment, shall furnish to the Trustee and the Corporation a certificate executed by an authorized officer of the Fiduciary, stating the maximum amount which it may and will hold on deposit without security as provided in this paragraph (C).

(D) Obligations purchased as an investment of money in any Fund or Account held by the Trustee under the provisions of this Indenture shall be deemed at all times to be a part of such Fund or Account until such amount is transferred in accordance with this Indenture.

(E) In computing the amount in any Fund or Account held by the Trustee under the provisions of this Indenture, obligations purchased as an investment of money therein shall be valued at par if purchased at par or at amortized value if purchased at other than par provided that obligations purchased as an investment of money in the Corporation Purposes Reserve Fund shall be valued at cost. Amortized value, when used with respect to an obligation purchased at a premium above or a discount below par means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of days

remaining to maturity on such obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase; and (1) in the case of an obligation purchased at a premium by deducting the product thus obtained from the purchase price, and (2) in the case of an obligation purchased at a discount by adding the product thus obtained to the purchase price. Valuation on any particular date shall include the amount of interest then earned or accrued to such date on any money or investments in the applicable Fund or Account; such valuation shall be made at any time from time to time as and when directed by the Corporation in an Officer's Certificate, but in any event not less than annually.

(F) The Trustee shall sell at the best price reasonably obtainable, or present for redemption, any obligation purchased by it as an investment whenever it shall be necessary in order to provide money to meet any payment or transfer from the Fund or Account (other than a transfer to another Fund or Account) for which such investment was made. The Trustee shall have no liability for sale or disposition at less than par (or amortized value) or cost of any such obligation to the extent such sale or disposition is otherwise in compliance with this Section. The Trustee shall advise the Corporation in writing, on or before the 10th day of each calendar month, of the details of all cash and investments held for the credit of, and transactions in, each Fund (including any Accounts therein) in its custody under the provisions of this Indenture as of the end of the preceding month.

Section 1006 Cancellation of Bonds. All Bonds purchased, redeemed or paid or exchanged or submitted for registration of transfer shall, if surrendered to the Corporation or any Paying Agent, be delivered to the Trustee for cancellation, or if surrendered to the Trustee, be cancelled by it. No such Bonds shall be deemed Outstanding under this Indenture and no Bonds shall be issued in lieu thereof. All such Bonds shall be cancelled and upon order of the Corporation shall be disposed of and a certificate thereof delivered to the Corporation.

Section 1007 Preservation and Inspection of Documents. All reports, certificates, statements, and other documents received by any Fiduciary under the provisions of this Indenture shall be retained in its possession and shall be available at all reasonable times to the inspection of the Corporation, any other Fiduciary or any Owner, and their agents and their representatives, any of whom may make copies thereof, but any such reports, certificates, statements or other documents may, at the election of such Fiduciary, be destroyed or otherwise disposed of at any time 6 years after the date on which the pledge of the Revenues or liens created by this Indenture and the other Security Documents are discharged as provided in Section 1001.

Section 1008 No Recourse on Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Indenture against any member or officer of the Corporation or any person executing the Bonds.

Section 1009 Supplements and Amendments. (a) This Indenture and the other Security Documents, as applicable, may be:

(1) supplemented by delivery to the Trustee of a Supplemental Indenture certified by an Authorized Officer, to (A) provide for earlier or greater deposits into a Fund or Account, in accordance with the priorities herein set forth, (B) subject any property to the lien hereof or under the Mortgage, (C) add to the covenants and agreements of the Corporation or

surrender or limit any right or power of the Corporation, (D) provide for the terms and conditions for payment of such Insured Bonds under the applicable Bond Insurance Policy if all or a portion of such Bonds will be issued as Insured Bonds; (E) identify particular Bonds for purposes not inconsistent herewith, including credit or liquidity support, remarketing, serialization and defeasance; (F) authorize Additional Bonds and in connection therewith determine all matters relative to such Bonds that are not prejudicial to the Owners, or to modify or rescind any such authorization or determination at any time prior to the first authentication and delivery of such Additional Bonds; or (G) more fully describe and/or clarify the rights, duties and obligations of a Bondholder Representative appointed in accordance with Section 1012 hereof, or

(2) amended by the Corporation and/or the Trustee, to (A) cure any ambiguity or defect, (B) add provisions that are not prejudicial to the Owners or (C) adopt amendments that do not take effect unless and until (i) no Bonds Outstanding prior to the adoption of such amendment remain Outstanding or (ii) such amendment is consented to by the Owners of such Bonds in accordance with the further provisions hereof.

(b) Except as provided in the foregoing paragraph (a), this Indenture and the other Security Documents may be amended (1) only with the written consent of the Owners of a majority in principal amount 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 Owners for any of the following purposes: (A) to extend the maturity of any Bond, (B) to reduce the principal amount 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 of the same class or (E) to reduce the percentage of the Bonds required to be represented by the Owners giving their consent to any amendment.

(c) Any amendment of this Indenture or the other Security Documents shall be accompanied by a Counsel's Opinion to the effect that the amendment is permitted by law.

(d) When the Corporation determines that the requisite number of consents have been obtained for an amendment hereto or under any other Security Document which requires consents, it shall file a certificate to that effect in its records and give notice to the Trustee and the Owners.

Section 1010 Governing Law. This Indenture shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without regard or giving effect to the principles of conflicts of laws thereof.

Section 1011 Priority of Indenture Over Liens. This Indenture and the Mortgage are given in order to secure funds to pay for a portion of the Capital Costs and by reason thereof, it is intended that this Indenture and the Mortgage shall be superior to any laborers', mechanics' or materialmen's liens which may be placed upon the UNDC Properties subsequent to the recordation of the Mortgage. In compliance with Section 13 of the Lien Law, the Corporation will receive the advances secured by this Indenture and the Mortgage and will hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of improvements and

that the Corporation will apply the same first to the payment of the costs of improvements before using any part of the total of the same for any other purpose.

Section 1012 Appointment of Bondholder Representative. The Corporation, by appointment in the First Supplemental Indenture, or Owners of a majority in aggregate principal amount of the Bonds then Outstanding may, but shall not be required to, from time to time appoint a representative or agent (a “Bondholder Representative”), by execution of a Supplemental Indenture or by giving signed, written notice of such appointment to the Trustee, to act on behalf of the holders of the Bonds Outstanding hereunder to give any consents, authorizations, or approvals; exercise any rights; or take any other action as may be taken by the holders of the Bonds or a majority in aggregate principal amount thereof under this Indenture. Upon such appointment, the Trustee shall accept the consent, authorization, or direction of such Bondholder Representative to the extent specified in such notice, as it would accept such action from such Owners of a majority in aggregate principal amount of the Bonds then Outstanding. A Bondholder Representative may be an Owner. Unless otherwise specified in the Supplemental Indenture or in such notice delivered to the Trustee appointing a Bondholder Representative pursuant to this Section, such Bondholder Representative shall be the sole representative of Owners of the Bonds hereunder with respect to all matters specifically listed herein or in the Supplemental Indenture or such notice, until a signed, written notice of the removal of a Bondholder Representative shall be delivered to the Trustee by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding. A Bondholder Representative may resign at any time by delivering written notice thereof to the Trustee. Any notice of removal or resignation meeting the foregoing requirements shall be effective immediately upon receipt thereof by the Trustee. In no event shall more than one Bondholder Representative be appointed. Any successor Bondholder Representative hereunder shall automatically become a party to each document to which the Bondholder Representative is a party without the execution or filing of any paper or the performance of any further act.

Section 1013 Notices. Except as otherwise provided herein, any notices, directions or other instruments required to be given or delivered pursuant hereto or to any Supplemental Indenture shall be in writing and shall be delivered by hand against the written receipt therefor or sent by registered or certified mail addressed: in the case of the Corporation, to the attention of the Executive Vice President and General Counsel, at Two United Nations Plaza, New York, New York 10017; in the case of the Trustee, addressed to it at the principal Corporate Trust office of the Trustee at the address of such principal corporate trust office; or, in each case, to such other individual and at such other address as the person to be notified shall have specified by notice to the other persons. In addition to forwarding the information required by Section 605(E) hereunder, as long as the 2025 Bonds are Outstanding and the United Nations Lease or the UNDP Lease is in effect, the Trustee shall provide United Nations, the UNDP with copies of any notice required to be delivered to the Corporation hereunder. Prior to the Project Completion Date, the Trustee shall promptly notify the Bondholder Representative in writing of the occurrence of an Event of Default hereunder.

IN WITNESS WHEREOF, United Nations Development Corporation has caused these presents to be signed in its name and on its behalf by its Executive Vice President and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by one of its authorized officers, all as of the date first above written.

UNITED NATIONS DEVELOPMENT CORPORATION

By: _____
Executive Vice President

(SEAL)

Attest:

By: _____
Treasurer

THE BANK OF NEW YORK MELLON,
as Trustee

By: _____
Vice President

Attest:

By: _____
Title:

[Signature Page to Indenture of Trust]

Exhibit A-1

Description of One U.N. Plaza Project Leasehold

ALL that certain lot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the northwesterly corner of United Nations Plaza (formerly 1st Avenue) and 44th Street; and running

Thence Northerly along the westerly side of United Nations Plaza (formerly 1st Avenue), 100 feet 5 inches to the center line of the block;

Thence Westerly along the said center line of the block, 100 feet;

Thence Northerly parallel with United Nations Plaza (formerly 1st Avenue), 25 feet 3 inches;

Thence Westerly parallel with 44th Street, 25 feet 11 inches;

Thence Southerly parallel with United Nations Plaza (formerly 1st Avenue), 11 feet 1-1/2 inches;

Thence Westerly parallel with 44th Street, 48 feet 11 inches;

Thence Southerly parallel with United Nations Plaza (formerly 1st Avenue), 114 feet 6-1/2 inches to the northerly side of 44th Street; and

Thence Easterly along the northerly side of 44th Street, 174 feet 10 inches to the point or place of Beginning.

No. & Street: 787-793 UN Plaza (a/k/a 335-341 East 44th Street and a/k/a One U.N. Plaza)

Block: 1337

Lot: 20

EXHIBIT A-2

Description of Two U.N. Plaza Project Leasehold

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of East 45th Street, distant one hundred seventy-five feet westerly from the corner formed by the intersection of the southerly side of 45th Street, with the westerly side of First Avenue;

RUNNING THENCE southerly, parallel with the westerly side of First Avenue, two hundred feet ten inches to the northerly side of East 44th Street;

THENCE westerly along the said northerly side of East 44th Street, one hundred fifty feet;

THENCE northerly and again parallel with the said westerly side of First Avenue, two hundred feet ten inches to the southerly side of East 45th Street; and

THENCE easterly along the southerly side of East 45th Street, one hundred fifty feet to the point or place of BEGINNING.

No. & Street: 323 East 44th Street (a/k/a Two U.N. Plaza)

Block: 1337

Lot: 14

EXHIBIT A-3

Description of Three U.N. Plaza Project Leasehold

PARCEL A

ALL that certain lot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of 44th Street, distant 100 feet westerly from the southwesterly corner of United Nations Plaza (formerly 1st Avenue) and 44th Street, and running

Thence Southerly parallel with United Nations Plaza (formerly 1st Avenue), 100 feet 5 inches;

Thence Westerly parallel with 44th Street, 125 feet;

Thence Northerly parallel with United Nations Plaza (formerly 1st Avenue), 100 feet 5 inches to the southerly side of 44th Street; and

Thence Easterly along the southerly side of 44th Street, 125 feet to the point or place of Beginning.

No. & Street: 330-338 East 44th Street

Block: 1336

Lot: 31

PARCEL B

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of East 44th Street, distant 275 feet westerly from the southwesterly corner of United Nations Plaza (formerly 1st Avenue) and East 44th Street; running

Thence Westerly along the southerly side of East 44th Street, 50 feet;

Thence Southerly parallel with United Nations Plaza (formerly 1st Avenue), 100 feet 5 inches to the center line of the block between East 43rd and East 44th Street;

Thence Easterly along the said center line of the block and parallel with East 44th Street. 50 feet;

Thence Northerly parallel with United Nations Plaza (formerly 1st Avenue), 100 feet 5 inches to the southerly side of East 44th Street, to the point or place of Beginning.

No. & Street: 322-324 East 44th Street

Block: 1336

Lot: 38

PARCEL C

ALL that certain lot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of 44th Street, distant 225 feet westerly from the corner formed by the intersection of the southerly side of 44th Street with the westerly side of United Nations Plaza (formerly 1st Avenue); running

Thence Southerly parallel with the westerly side of United Nations Plaza (formerly 1st Avenue), 100 feet 5 inches;

Thence Westerly parallel with the southerly side of 44th Street, 50 feet;

Thence Northerly and parallel with said westerly side of United Nations Plaza (formerly 1st Avenue), 100 feet 5 inches to the southerly side of 44th Street; and

Thence Easterly along the southerly side of 44th Street, 50 feet to the point or place of Beginning.

No. & Street: 326 East 44th Street

Block: 1336

Lot: 36

EXHIBIT B

Form of Requisition

TO: The Bank of New York Mellon, as Trustee
FROM: United Nations Development Corporation
CC: Bondholder Representative

REQUISITION NO. []

Ladies and/or Gentlemen:

This Certificate of Requisition is made pursuant to Section 402 of the Indenture of Trust, and the First Supplemental of Trust, each dated as of _____, 2025 (the “Indenture”), and each between United Nations Development Corporation and The Bank of New York Mellon, as trustee. All definitions in the Indenture are hereby incorporated by reference.

We hereby request that the sum of _____ Dollars (\$_____) be disbursed by you to us from the accounts of the Project Fund established and held by you under the Indenture or any other fund or account established pursuant to a Supplemental Indenture and held by you (each, an “Account”).

Attached hereto as Schedule Number 1 is a general description of the Capital Costs covered by this Certificate of Requisition, the Account from which such payment is to be made and the manner in which such payment is to be made.

In respect of the Capital Costs described in Schedule Number 1 hereto, we hereby certify that: (1) each obligation paid or payable in connection therewith has been properly recorded on our books, (2) each such obligation is a proper charge against such Account, (3) no such obligation is the basis of any previous withdrawal from such Account, (4) we have no knowledge of any vendor’s lien, mechanic’s lien or security interest which should be satisfied or discharged before the payment herein requested is made or which will not be discharged by such payment or, to the extent that any such costs shall be the subject of a bona fide dispute, for which such costs have not been appropriately bonded or for which a surety or security has not been posted which is at least equal to the amount of such costs, and (5) we are not in default under the Indenture and nothing has occurred to our knowledge which prevents performance of our obligations under the Indenture.

With respect to this disbursement, we (i) certify we have reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, (ii) agree to indemnify and hold harmless the Trustee from and against any and all claim, demand, loss, liability, or expense sustained, including but not limited to attorney fees, and expenses resulting directly or indirectly as a result of making the disbursement requested hereunder, and (iii) agree we will not seek recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with its instructions herein.

**UNITED NATIONS DEVELOPMENT
CORPORATION**

By: _____
Authorized Officer

Following the occurrence of an Event of Default:

By: _____

Bondholder Representative

By: _____

Authorized Officer

SCHEDULE NUMBER 1

B - 3

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APPENDIX B

SUMMARY OF NEW ONE UN PLAZA UNDP LEASE

The following is a summary of certain provisions of the Lease (the “Lease”), dated as of February 3, 2025, between United Nations Development Corporation, as landlord (“Landlord”), and United Nations Development Programme, as tenant (“Tenant”), for certain premises in the building located at One United Nations Plaza (the “Building”). The descriptions contained herein do not purport to be complete, and reference is made to the respective agreements for full and complete statements of their provisions. All capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Lease.

I. Premises:

The Premises consists of (I) certain space currently occupied by Tenant within the 1 UNP Condominium (the “Office Unit”) consisting of the entire 16th through 24th floors of the Building (the “Existing Premises”), which is agreed to contain 149,436 rentable square feet, and (II) the entire 9th, 10th, 12th, 13th, 14th and 15th floors of the Office Unit (the “New Premises”), which is agreed to contain 104,477 rentable square feet. The Existing Premises and the New Premises are collectively referred to as the “Premises” and are agreed to contain 253,913 rentable square feet.

Note, prior to the Existing Premises Commencement Date (as defined below) Tenant is occupying and paying rent in respect of the Existing Premises at the current applicable rates the United Nations is obligated to pay Landlord for the Existing Premises under the Existing UN Lease (i.e., the Agreement of Lease, dated as of as June 21, 1974, between the United Nations Development Corporation, as landlord, and the United Nations, as tenant, as amended).

II. Term:

The initial term of the Lease expires on the 15th anniversary of the New Premises Commencement Date (as defined below), as such term may be extended pursuant to Tenant’s Renewal Rights (see Section XI below).

III. Commencement Dates:

The Commencement Date with respect to the Existing Premises (the “Existing Premises Commencement Date”), occurs upon the date the Lease Conditions Precedent are satisfied (see Section XVII below).

The Commencement Date with respect to the New Premises (the “New Premises Commencement Date”), occurs upon the later of (x) the date the New Premises Delivery Condition Work is Substantially Completed (or deemed to have been substantially completed) in accordance with Exhibit F-1a of the Lease and (z) the date the Lease Conditions Precedent are satisfied.

IV. Rent Commencement Dates:

The Rent Commencement Date with respect to the Existing Premises occurs 18 months after the Existing Premises Commencement Date (i.e., Tenant is entitled to a rent abatement in respect of the Existing Premises equal to \$11,431,854.00). Note, Tenant has a one-time right to accelerate the Rent Commencement Date with respect to the Existing Premises and convert the remaining unused portion of the rent abatement amount and apply such amount to the Tenant Improvement Allowance.

The Rent Commencement Date with respect to the New Premises occurs 18 months after the New Premises Commencement Date (i.e., Tenant is entitled to a rent abatement in respect of the Existing Premises equal to \$7,992,490.50). Note, Tenant has a right to accelerate the Rent Commencement Date with respect to the New Premises and convert the remaining unused portion of the rent abatement amount and apply such amount to the Tenant Improvement Allowance.

V. Rent:

In respect of the New Premises, Tenant is obligated to pay Fixed Rent at an annual rate equal to (i) \$51.00 per rentable square foot (\$5,328,327.00 per annum) for the “First Rent Period” (i.e., the period commencing on the New Premises Commencement Date and ending on the last day of the month in which occurs the day immediately preceding the 5th anniversary of the New Premises Commencement Date (the “First Rent Period Expiration Date”)), (ii) \$56.00 per rentable square foot (\$5,850,712.00 per annum) for the “Second Rent Period” (i.e., the period commencing on the day immediately following the expiration of the First Rent Period and ending on the day immediately preceding the 10th anniversary of the New Premises Commencement Date) and (iii) \$61.00 per rentable square foot (\$6,373,097.00 per annum) for the “Third Rent Period” (i.e., the period commencing on the day immediately following the expiration of the Second Rent Period and ending on the Expiration Date).

In respect of the Existing Premises, Tenant is obligated to pay Fixed Rent at an annual rate equal to (i) \$51.00 per rentable square foot (\$7,621,236.00 per annum) for the period commencing on the Existing Premises Commencement Date and ending on the First Rent Period Expiration Date, (ii) \$56.00 per rentable square foot (\$8,368,416.00 per annum) for the Second Rent Period and (iii) \$61.00 per rentable square foot (\$9,115,596.00 per annum) for the Third Rent Period.

In addition to Fixed Rent, Tenant is obligated to pay Additional Rent which includes an Operating Payment (calculated as Tenant’s Operating Share (i.e., 60.02%) of the amount by which Operating Expenses in any Operating Year exceeds the Base Operating Amount (i.e. Operating Expenses for the 2024 calendar year)) and the cost of electricity used in the Premises on a submetered basis.

VI. Work Allowance:

Tenant is entitled to a work allowance equal to the sum of (i) \$160.00 per rentable square foot of each of the Existing Premises and the New Premises (i.e., \$40,626,080.00), subject to increase by converting the rent abatement allowances for each of the Existing Premises and New Premises as noted above, plus (ii) \$350,000.00 per floor of the Premises solely to be used by Tenant for Tenant’s out-of-pocket costs to perform Alterations to the restrooms on each floor.

VII. Landlord’s Work:

Landlord, at its expense, is required to perform the Landlord’s Work comprising of: (i) the “New Premises Delivery Condition Work”, identified on Exhibit F-1a, and the “Existing Premises Delivery Condition Work” identified on Exhibit F-1b (collectively, the “Delivery Condition Work”), (ii) the “New Premises Occupancy Work”, identified on Exhibit F-2a, and the “Existing Premises Occupancy Work”, identified on Exhibit F-2b (collectively, the “Occupancy Work”), and (iii) the “Base Building Work” identified on Exhibit F-3. Tenant is entitled to certain rent credits to the extent Landlord’s Substantial Completion of all or any of such work is delayed beyond certain agreed upon milestones more particularly set forth in the Lease.

VIII. Assignment and Subletting:

Without Landlord's consent, Tenant is permitted to assign the Lease to a "Permitted Assignee" and may sublet all or portions of the Premises to a "Permitted Subtenant", in each case, subject to the applicable terms and conditions set forth in the Lease. Except in connection with an assignment of the Lease or a sublease of the Premises permitted without Landlord's consent as set forth in the Lease, Landlord has certain recapture rights. The United Nations Development Programme is never released from its obligations under the Lease (whether or not in connection with a permitted assignment or sublease) and the United Nations Development Programme always remains fully liable for the payment of all Rent and the performance of all of Tenant's obligations under the Lease.

IX. Repairs:

Subject to the applicable terms and conditions of the Lease, Tenant is obligated to keep the Premises in good condition including, without limitation, with respect to all damage caused by Tenant or any Tenant Parties to the equipment and other installations in the Premises or anywhere in the Building.

Landlord, at Landlord's expense (but subject to reimbursement by way of Operating Expenses), is required to operate, maintain, repair and replace, if necessary, (i) all structural portions of the Building (such as, by way of example only, the roof, foundation, footings, exterior walls, interior and exterior façade, load-bearing columns, ceiling and floor slabs, windows, window sills and sashes), (ii) all common and public service areas of the Building generally available to all tenants, including without limitation, the Main Lobby, any common elevators, escalators, access areas and driveways, landscaped areas and corridors, (iii) all Building systems serving the common and public service areas or serving the Premises (but, in the case of Building systems serving the Premises, solely up to the point of connection for localized distribution to the Premises) throughout the Term, and in such a manner as is consistent with the maintenance, operation and repair standards of First Class Office Buildings.

X. Default:

If Tenant defaults in the payment of any Rent and such default continues for 15 days after Landlord gives to Tenant a notice specifying such default, or; if Tenant defaults in the observance or performance of any covenant or agreement (other than any obligation otherwise specifically identified in the Lease) and such default continues and is not cured within 30 days after Landlord gives to Tenant a notice specifying same (provided Tenant shall be afforded additional time if the nature of such default is such that it cannot be cured within 30 days but Tenant is diligently and continuously prosecuting same), or; if Tenant shall assign, sublet or transfer the Lease in violation of the terms of the Lease, or; if Tenant fails to cancel or discharge of record any mechanic's or other lien within the time periods specified in the Lease and such default continues for 10 Business Days after Landlord gives to Tenant a notice specifying same, or; if there is a dissolution of Tenant, or; if there is a direct or indirect transfer of control of Tenant (such that the United Nations Development Programme is no longer an agency of the United Nations); then, in each case, the same shall constitute a default under the Lease and Landlord may then give Tenant a notice of intention to terminate the Lease upon the expiration of 10 days after Landlord's giving of such notice.

XI. Renewal Rights:

Provided Tenant is then satisfying certain conditions more particularly set forth in the Lease (e.g., no monetary or material non-monetary default under the Lease beyond notice and cure periods and Tenant and any UNDP Affiliated Organization and Desk Space Users are in occupancy of at least 75% of the Premises), and Tenant delivers notice of such exercise at least 24 months prior to the then expiring

term, Tenant has two rights (each, a “Renewal Option”) to extend the term of the Lease, each for an additional, consecutive 5-year period. Each Renewal Option may be exercised by Tenant with respect to (x) the entire then Premises or (y) a “Renewal Portion” consisting of at least 80% of the then leased Premises which shall be contiguous full floors of the Premises (or if the Premises then consists of partial floors, all of the space leased by Tenant on such contiguous partial floors), starting, at Tenant’s option, with either the highest or lowest full floor of the Premises; provided, that in no event may Tenant include in the Renewal Portion less than all of the space on a particular floor that is leased by Tenant. The annual Fixed Rent for the First Renewal Term shall be at the rate of \$66.00 per rentable square foot of the then Premises and the annual Fixed Rent for the Second Renewal Term shall be equal to 100% of the Fair Market Rent as determined in accordance with the terms of the Lease.

XII. Tenant’s Right of First Offer:

Tenant has a right of first offer with respect to any portion of office space within the Office Unit subject to the applicable terms and conditions set forth in the Lease. The Fixed Rent for the Offer Space shall be the then per rentable square foot rate of Fixed Rent for the Premises and Tenant shall be entitled to a proportionally reduced rent abatement and/or Work Allowance determined based on the then remaining initial Term, which Work Allowance shall be used by Tenant to prepare the Offer Space for initial occupancy.

XIII. Tenant’s Contraction Option:

Subject to the conditions of the Lease, but without any termination fees or other amounts payable by Tenant, Tenant has a right to contract the Premises (the “Contraction Option”) by surrendering to Landlord any of the following configurations: (x) 1 full floor of the Premises which must be either, at Tenant’s option, the highest or lowest floor of the Premises, or (y) 2 full contiguous floors of the Premises which must be either, at Tenant’s option, the highest or lowest floors of the Premises (the “Contraction Space”). The Contraction Option may only be exercised by Tenant by delivering to Landlord notice of such exercise (the “Contraction Notice”) setting forth the date upon which the Lease solely with respect to the Contraction Space shall terminate; provided, that such date must be (x) between the 5th and 8th anniversaries of the New Premises Commencement Date and (y) at least 24 months after the delivery of the Contraction Notice (such date, the “Contraction Date”).

XIV. Tenant’s Option to Lease:

Provided Tenant is then satisfying certain conditions more particularly set forth in the Lease (e.g., no monetary or material non-monetary default under the Lease beyond notice and cure periods and Tenant is United Nations Development Programme or any Permitted Assignee), and Tenant delivers notice of such exercise prior to the License Expiration Date (as defined below in Section XX), Tenant has the option to include within the Premises any portion of the Licensed Area (as defined below in Section XX), provided Tenant must select all of the space on any particular floor of the Licensed Area and if Tenant desires to select more than one floor of the Licensed Area, Tenant must select contiguous floors from the top down or bottom up.

If Tenant delivers a notice electing to exercise such option (the “Option Notice”) on or before September 30, 2026, then, on the date on which Tenant delivers the Option Notice, the selected portions of the Licensed Area (the “Option Space”) shall become part of the Premises on all of the terms and conditions of the Lease except that the Fixed Rent with respect to the Option Space shall be the then per rentable square foot rate of Fixed Rent for the Premises and Tenant shall be entitled to an 18 month abatement of Fixed Rent with respect to the Option Space and a \$160.00 per rentable square foot Work

Allowance. If Tenant delivers the Option Notice on or after October 1, 2026, then the Fixed Rent shall be increased by the Fair Market Rent of the Option Space, as determined in accordance with the Lease.

XV. Condemnation:

If there is a total taking of the Office Unit in condemnation proceedings or by any right of eminent domain, the Lease shall terminate as of the date of such taking and all Rent shall be prorated and paid as of such termination date. If there is a taking of 20% or more of the Land or the Office Unit (whether or not the Premises are affected by such taking), then Landlord may terminate the Lease upon notice to Tenant within 60 days after the date of such taking; provided, if no part of the Premises are subject to the taking, Landlord may only terminate the Lease if Landlord is then terminating all or substantially all of the other leases then in effect in the Office Unit. If there is a taking of the Premises of a scope (but in no event less than 20% thereof) that the untaken part of the Premises would in Tenant's reasonable judgment be uneconomic to operate, then Tenant may terminate the Lease upon notice within 60 days after the date of such taking. Any temporary taking that continues in excess of 20 months shall be deemed a permanent taking.

If there is a taking of the Premises that does not result in a termination of the Lease, the term with respect to the taken part of the Premises shall terminate as of the date of such taking and all Rent with respect to such portion that was taken shall be abated from the date of such taking to the Expiration Date and Landlord shall, with reasonable diligence, restore the remaining portion of the Premises (exclusive of Tenant's Property).

XVI. Casualty:

If by reason of a Casualty (i) the Office Unit shall be totally damaged or destroyed, (ii) the Office Unit is so damaged or destroyed (whether or not the Premises are damaged or destroyed) that the Landlord Restoration Obligation requires more than 15 months or the expenditure of more than 25% of the full insurable value of the Office Unit (i.e., replacement cost less Landlord's portion of the cost of footings, foundations and other structures below the street and first floors of the Building) immediately prior to the Casualty, or (iii) the Office Unit and the Project shall be damaged or destroyed (whether or not the Premises are damaged or destroyed) and IUNP Condominium does not elect to restore the Project in a manner sufficient for Landlord to restore the Office Unit, then in either such case, Landlord may terminate the Lease upon notice to Tenant within 90 days after the Casualty; provided, that Landlord may not terminate the Lease unless Landlord similarly terminates the leases of all or substantially all of the other tenants in the Office Unit.

If by reason of a Casualty 30% or more of the Premises is damaged and rendered Untenantable or access to the Premises shall be completely damaged and rendered unusable, then Landlord within 60 days of the date of such Casualty shall deliver to Tenant an estimate prepared by an independent reputable contractor setting forth such contractor's estimate as to the time reasonably required to substantially completion the Landlord Restoration Obligation. If the estimated time exceeds 15 months after the date of such Casualty, Tenant may elect to terminate the Lease upon notice to Landlord within 60 days of Tenant's receipt of such notice. If for any reason Landlord does not substantially complete the Landlord Restoration Obligation by the date which is 90 days after the date set forth in the estimate as the date by which the Landlord Restoration Obligation should reasonably be substantially completed (which 90 day period shall be extended on a day for day basis for any Tenant Delay or Unavoidable Delay (subject to a 30 day cap for any Unavoidable Delay), then Tenant shall have the right to terminate the Lease upon notice delivered to Landlord no later than 60 days after the last day of such 90 day period.

If a Casualty rendering 50% or more of the Premises Untenantable occurs during the last 18 months of the Term and Landlord's restoration work would take more than 180 days to substantially complete (excluding restoration of any of Tenant's Property or Fixtures), either party may terminate the Lease by notice given to the other within 60 days after the date of the Casualty.

XVII. Lease Conditions Precedent:

The effectiveness of the Lease is conditioned upon (i) the execution and delivery to Tenant of (x) the Bond Financing SNDA and (y) the Condominium SNDA, in each case, in the form attached to the Lease, (ii) Landlord consummating the Bond Financing and (iii) the delivery by Landlord to Tenant of a certificate reasserting as of the Effective Date certain representations made upon the execution of the Lease. The Lease shall become effective upon the closing of the Bond Financing.

XVIII. Settlement of Disputes:

All disputes, controversies and claims between Landlord and Tenant arising out of or relating to the Lease shall be settled in accordance with the UNCITRAL Arbitration Rules as more particularly described in the Lease.

XIX. Privileges and Immunities:

The Lease expressly provides that the United Nations Development Programme and any Permitted Assignee that is then the Tenant under the Lease is not waiving any of its privileges and immunities.

Lease Related Agreements

XX. License Agreement:

Landlord and Tenant have entered into that certain License Agreement, dated as of May 15, 2024, as amended by First Amendment to License Agreement, dated as of February 3, 2025 (as amended, the "License Agreement").

Pursuant to the License Agreement, Landlord agreed to license to Tenant a portion of the ground floor, a portion of the 2nd floor, the entire 4th floor, the entire 5th floor, the entire 6th floor (subject to the existing tenants on the 6th floor vacating their respective premises), and the entire 7th floor of the Building (collectively, the "Licensed Area").

The Term of the License Agreement commences upon the Existing Premises Commencement Date (i.e., the date the Lease Conditions Precedent are satisfied) and expires on the last day of the month in which occurs the 3rd anniversary of the Existing Premises Commencement Date (the "License Expiration Date"), subject to extension (i) in accordance with the number of days of Fixed Rent credits provided to Tenant, if any, pursuant to the Lease, (ii) to the extent the Initial Tenant Work (as defined in the Lease) for the Existing Premises is delayed in accordance with the terms and conditions of the Lease, and (iii) by Tenant for any reason (upon notice delivered no later than 270 days prior to the License Expiration Date) for a period not to exceed 30 months beyond the License Expiration Date.

Tenant has the right to terminate the License with respect to all or a portion of the Licensed Area on 30 days' notice, provided, such termination must start from the top floor or the bottom floor of the Licensed Area and, if more than one full floor is to be terminated pursuant to such notice, such full floors must be contiguous floors, in each case subject to the terms of the License.

The schedule of License Fees is set forth in Section 11 of the License Agreement, as amended by Section 8 of the First Amendment to License Agreement.

XXI. Tenant Improvement Allowance Funding Agreement:

Landlord and Tenant have entered into that certain Tenant Improvement Allowance Funding Agreement, dated as of February 26, 2024, as amended by First Amendment to Tenant Improvement Allowance Funding Agreement, dated as of February 3, 2025 (as amended, the “Funding Agreement”).

Pursuant to the Funding Agreement, Landlord agreed to pay to Tenant \$4,000,000.00 for certain hard and soft construction-related costs incurred by Tenant in connection with preparing the Licensed Area for Tenant’s occupancy. Amounts paid under the Funding Agreement are applied towards the work allowance provided by Landlord to Tenant under the Lease.

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APPENDIX C

SUMMARY OF NEW TWO UN PLAZA UN LEASE

The following is a summary of certain provisions of the Lease (the “Lease”), dated as of February 3, 2025, between United Nations Development Corporation, as landlord (“Landlord”), and United Nations, as tenant (“Tenant”), for certain premises in the building located at Two United Nations Plaza (the “Building”). The descriptions contained herein do not purport to be complete, and reference is made to the respective agreements for full and complete statements of their provisions. All capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Lease.

I. Premises:

The Premises consists of (I) the entire 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, and 26th floors of the Building and a portion of the 25th floor of the Building (the “Office Space”), which is agreed to contain 414,294 rentable square feet, and (II) a portion of the 1st floor and mezzanine level of the Building (the “Former School Space”), which is agreed to contain 10,896 rentable square feet. The Office Space and the Former School Space are collectively referred to as the “Premises” and are agreed to contain 425,190 rentable square feet.

Tenant also leases 10,180 usable square feet on the basement level of the Building (the “Basement Space”).

II. Term and Commencement Dates:

The initial term of the Lease is for a period of 15 years, as such term may be extended pursuant to Tenant’s Renewal Rights (see Section IX below). The Commencement Date under the Lease occurs upon the date the Lease Conditions Precedent are satisfied (see Section XII below). The Rent Commencement Date occurs simultaneously upon the Commencement Date.

III. Rent:

In respect of the Office Space, Tenant is obligated to pay Fixed Rent at an annual rate equal to (i) \$51.00 per rentable square foot (\$21,128,994.00 per annum) for the First Rent Period (i.e., Lease Years 1-5), (ii) \$56.00 per rentable square foot (\$23,200,464.00 per annum) for the Second Rent Period (i.e., Lease Years 6-10) and (iii) \$61.00 per rentable square foot (\$25,271,934.00 per annum) for the Third Rent Period (i.e., Lease Years 11-15).

In respect of the Former School Space, Tenant is obligated to pay Fixed Rent at an annual rate equal to (i) \$51.00 per rentable square foot (\$555,696.00 per annum) for the First Rent Period (i.e., Lease Years 1-5), (ii) \$56.00 per rentable square foot (\$610,176.00 per annum) for the Second Rent Period (i.e., Lease Years 6-10) and (iii) \$61.00 per rentable square foot (\$664,656.00 per annum) for the Third Rent Period (i.e., Lease Years 11-15).

In respect of the Basement Space, Tenant is obligated to pay Fixed Rent at annual rate equal to (i) \$259,590.00 per annum for the First Rental Period (i.e., Lease Years 1-5), (ii) \$285,040.00 per annum for the Second Rental Period (i.e., Lease Years 6-10) and (iii) \$310,490.00 per annum for the Third Rental Period (i.e., Lease Years 11-15).

In addition to Fixed Rent, Tenant is obligated to pay Additional Rent which includes an Operating Payment (calculated as Tenant's Operating Share (i.e., 93.3938%) of the amount by which Operating Expenses in any Operating Year exceeds the Base Operating Amount (i.e. Operating Expenses for the 2024 calendar year)), and the cost of electricity used in the Premises on a submetered basis.

IV. Work Allowance:

Tenant is entitled to a work allowance equal to the sum of (w) \$160.00 per rentable square feet of the Premises (i.e., \$68,030,400.00), plus (x) \$31,693,491.00 in respect of free rent with respect to the Office Space that Tenant elected to convert to an additional allowance, plus (y) \$1,389,240.00 in respect of free rent with respect to the Former School Space that Tenant elected to convert to an additional allowance, plus (z) \$200,000.00, which Tenant may use only for the construction/renovation of the bathrooms in the Former School Space.

V. Base Building Work and Landlord's Pre-Refurbishment Work:

Landlord at its expense is obligated to perform the Base Building Work (i.e., the "Turnover BBW") identified on Exhibit F-2 of the Lease and the "Non-Turnover BBW" identified on Exhibit F-3 of the Lease). Landlord must also perform Landlord's Office Pre-Refurbishment Work (i.e., the work identified on Exhibit F-1 of the Lease) and Landlord's Former School Space Pre-Refurbishment Work (i.e., the work identified on Exhibit F-4 of the Lease). Tenant is entitled to certain rent credits to the extent Landlord's Substantial Completion of all or any of such work is delayed beyond certain agreed upon milestones more particularly set forth in the Lease.

VI. Assignment and Subletting:

Without Landlord's consent, Tenant is permitted to assign the Lease to a "UN Related Entity" and may sublet all or portions of the Premises to "UN Permitted Subtenant Entities", in each case, subject to the applicable terms and conditions set forth in the Lease. Except in connection with an assignment of the Lease or a sublease of the Premises permitted without Landlord's consent as set forth in the Lease, Landlord has certain recapture rights. The United Nations is never released from its obligations under the Lease (whether or not in connection with a permitted assignment or sublease) and the United Nations always remains fully liable for the payment of all Rent and the performance of all of Tenant's obligations under the Lease.

VII. Repairs:

Subject to the applicable terms and conditions of the Lease, Tenant is obligated to keep the interior of the Premises in good condition including, without limitation, with respect to all damage caused by Tenant or any Tenant Parties to the equipment and other installations in the Premises or anywhere in the Building. Landlord is responsible for the maintenance, repair and restoration of the Base Building Structure, Systems and Common Areas, provided, however, that any maintenance, repair or replacement that is Tenant's obligation to perform to the Base Building Structure, Systems and Common Areas shall be performed by Landlord and subject to the applicable terms and conditions of the Lease, reimbursed by Tenant.

Landlord, at Landlord's expense (but subject to reimbursement by way of Operating Expenses), is required to operate, maintain, repair and replace, if necessary, (i) all structural portions of the Project (including the Premises) (such as, by way of example only, the roof, foundation, footings, exterior walls, core walls, load-bearing columns, ceiling and floor slabs, windows, window sills and sashes), (ii) all Common Areas, and (iii) all Building systems, equipment and facilities serving the Common Areas or

serving the Premises (but, in the case of Building systems, equipment and facilities serving the Premises, solely up to the point of connection for localized distribution to the Premises) throughout the Term, and in such a manner as is consistent with the maintenance, operation and repair standards of Comparable Buildings.

VIII. Default:

If Tenant defaults in the payment of any Rent and such default continues for 15 days after Landlord gives to Tenant a notice specifying such default, or; if Tenant defaults in the observance or performance of any covenant or agreement (other than any obligation otherwise specifically identified in the Lease) and such default continues and is not cured within 30 days after Landlord gives to Tenant a notice specifying same (provided Tenant shall be afforded additional time if the nature of such default is such that it cannot be cured within 30 days but Tenant is diligently and continuously prosecuting same), or; if Tenant shall assign, sublet or transfer the Lease in violation of the terms of the Lease, or; if Tenant fails to cancel or discharge of record any mechanic's or other lien that can be enforced against Landlord's interest in the Project within the time periods specified in the Lease and such default continues for 10 Business Days after Landlord gives to Tenant a notice specifying same; then, in each case, the same shall constitute a default under the Lease and Landlord may then give Tenant a notice of intention to terminate the Lease upon the expiration of 10 days after Landlord's giving of such notice.

IX. Renewal Rights:

Provided Tenant is then satisfying certain conditions more particularly set forth in the Lease (e.g., no monetary or material non-monetary default under the Lease beyond notice and cure periods and Tenant and UN Permitted Subtenants are in occupancy of at least 75% of the Premises), and Tenant delivers notice of such exercise at least 24 months prior to the then expiring term, Tenant has two rights (each, a "Renewal Option") to extend the term of the Lease, each for an additional, consecutive 5-year period. Each Renewal Option may be exercised by Tenant with respect to (x) the entire then Premises or (y) a "Renewal Portion" consisting of at least 75% of the then leased Premises which shall be contiguous full floors of the Premises (except to the extent the then leased Premises includes contiguous partial floors, in which case, the Renewal Portion may include such contiguous existing partial floors), starting, at Tenant's option, with either the highest or lowest full floor of the Premises; provided, that in no event may Tenant include in the Renewal Premises less than all of the space on a particular floor that is leased by Tenant. The annual Fixed Rent for the First Renewal Term shall be at the rate of \$66.00 per rentable square foot of the then Premises (and \$33.00 per usable square foot of the Basement Space) and the annual Fixed Rent for the Second Renewal Term shall be equal to 100% of the Fair Market Rent as determined in accordance with the terms of the Lease.

X. Tenant's Right of First Offer:

Tenant has a right of first offer with respect to any portion of office space in the Building and in the condominium unit (known as the office unit) in the 1UNP Condominium. Tenant's right of first offer is subordinate to, *inter alia*, the rights of the UNDP under the UNDP Lease. The Fixed Rent for the offer space shall be the then per rentable square foot rate of Fixed Rent for the Premises, Tenant shall be entitled to an 18 month abatement of Fixed Rent for the offer space and a \$160.00 per rentable square foot work allowance, both proportionally reduced based on the then remaining initial term of the Lease.

XI. Tenant's Contraction Option:

Subject to the conditions of the Lease, but without any termination fees or other amounts payable by Tenant, Tenant has a right to contract the Premises (the "Contraction Option") by surrendering to

Landlord any of the following configurations: (x) 1 full or partial floor of the Premises (provided that such surrendered floor shall consist of all of the space on the applicable floor that is leased by Tenant) which must be either, at Tenant's option, the highest or lowest office full floors of the Premises, or (y) 2 full or partial contiguous floors of the Premises (provided that such surrendered floors shall consist of all of the space on the applicable floors that is leased by Tenant) which must be either, at Tenant's option, the highest or lowest office full floors of the Premises, or (z) 3 full or partial contiguous floors of the Premises (provided that such surrendered floors shall consist of all of the space on the applicable floors that is leased by Tenant) which must be either, at Tenant's option, the highest or lowest office full floors of the Premises (the "Contraction Space"). The Contraction Option may only be exercised by Tenant by delivering to Landlord notice of such exercise (the "Contraction Notice") setting forth the date upon which the Lease solely with respect to the Contraction Space shall terminate; provided, that such date must be (i) between the 5th and 8th anniversaries of the Commencement Date and (ii) at least 24 months after the delivery of the Contraction Notice (such date, the "Contraction Date").

XII. Lease Conditions Precedent:

The effectiveness of the Lease is conditioned upon (i) the execution and delivery of the Bond Financing SNDA to Tenant in the form attached to the Lease, (ii) Landlord consummating the Bond Financing and (iii) the delivery by Landlord to Tenant of a certificate reasserting as of the Effective Date certain representations made upon the execution of the Lease. The Lease shall become effective upon the closing of the Bond Financing.

XIV. Condemnation:

If there is a total taking of the Building in condemnation proceedings or by any right of eminent domain, the Lease shall terminate as of the date of such taking and all Rent shall be prorated and paid as of such termination date. If there is a taking of 20% or more of the Land or the Building (whether or not the Premises are affected by such taking), then Landlord may terminate the Lease upon notice to Tenant within 60 days after the date of such taking; provided, if no part of the Premises are subject to the taking, Landlord may only terminate the Lease if Landlord is then terminating all or substantially all of the other office leases then in effect in the Building. If there is a taking of the Premises of a scope (but in no event less than 20% thereof) that the untaken part of the Premises would in Tenant's reasonable judgment be uneconomic to operate, then Tenant may terminate the Lease upon notice within 60 days after the date of such taking. Any temporary taking that continues in excess of 20 months shall be deemed a permanent taking.

If there is a taking of the Premises that does not result in a termination of the Lease, the term with respect to the taken part of the Premises shall terminate as of the date of such taking and all Rent with respect to such portion that was taken shall be abated from the date of such taking to the Expiration Date and Landlord shall, with reasonable diligence, restore the remaining portion of the Premises (exclusive of Tenant's Property).

XV. Casualty:

If by reason of a Casualty (i) the Building shall be totally damaged or destroyed or (ii) the Building is so damaged or destroyed (whether or not the Premises are damaged or destroyed) that the Landlord Restoration Obligation requires more than 365 days or the expenditure of more than 20% of the full insurable value of the Building (i.e., replacement cost less the cost of footings, foundations and other structures below the street and first floors of the Building) immediately prior to the Casualty, then in either such case, Landlord may terminate the Lease upon notice to Tenant within 90 days after the Casualty; provided, in the case of clause (ii) above, Landlord may only terminate the Lease if Landlord is

then also terminating all or substantially all of the other offices Leases then in effect in the Building. In the event of a Casualty during the last two years of the Term, the reference to “365 days” in the first sentence of this paragraph shall be deemed replaced with “180 days”.

If by reason of a Casualty 30% or more of the Premises is damaged and rendered Untenantable or access to the Premises shall be completely damaged and rendered unusable, then Landlord within 60 days of the date of such Casualty shall deliver to Tenant an estimate prepared by an independent reputable contractor setting forth such contractor’s estimate as to the time reasonably required to substantially completion the Landlord Restoration Obligation. If the estimated time exceeds 17 months after the date of such Casualty, Tenant may elect to terminate the Lease upon notice to Landlord within 60 days of Tenant’s receipt of such notice. If the time period in such estimate does not exceed 17 months, and for any reason Landlord does not substantially complete the Landlord Restoration Obligation by the earlier of (i) 20 months after the date of such Casualty and (ii) 6 months after the date set forth in the estimate (as such dates may be extended by Unavoidable Delay (up to 30 days)), then Tenant shall have the right to terminate the Lease upon notice delivered to Landlord no later than 60 days after the last day of such 6 month period or 20 month period, as applicable. In the event a Casualty occurs during the last two years of the Term, all references in this paragraph to “17 months” shall be deemed replaced with “120 days”.

XVI. Settlement of Disputes:

All disputes, controversies and claims between Landlord and Tenant arising out of or relating to the Lease shall be settled in accordance with the UNCITRAL Arbitration Rules as more particularly described in the Lease.

XVII. Privileges and Immunities:

The Lease expressly provides that the United Nations and any UN Related Entity that is then the Tenant under the Lease is not waiving any of its privileges and immunities.

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APPENDIX D

FORM OF CITY BACKUP LEASE

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CITY BACKUP LEASE

This CITY BACKUP LEASE (this “**Lease**”) is made as of March 14, 2025 (the “**Effective Date**”), by and between UNITED NATIONS DEVELOPMENT CORPORATION, a New York public benefit corporation with offices at Two United Nations Plaza, New York, New York 10017, as landlord (“**Landlord**”), and THE CITY OF NEW YORK, a New York municipal corporation, including its departments and agencies, acting by and through its Department of Citywide Administrative Services, with offices at the Municipal Building, One Centre Street, New York, New York 10007, as master tenant (“**Tenant**”) and replaces that certain Master Lease, dated as of December 31, 2003 (the “**Prior Lease**”), between Landlord and Tenant in its entirety.

WHEREAS, Landlord leased portions of the building known as and located at One United Nations Plaza, New York, New York (the “**One U.N. Plaza Building**”) to the United Nations pursuant to a lease dated as of June 21, 1974 (as amended, the “**Original One U.N. Plaza Lease**”), between Landlord and the United Nations;

WHEREAS, Landlord leased portions of the building known as and located at Two United Nations Plaza, New York, New York (the “**Two U.N. Plaza Building**”) to the United Nations pursuant to a lease dated as of May 8, 1981 (as amended, the “**Original Two U.N. Plaza Lease**”; and together with the Original One U.N. Plaza Lease, the “**Original Leases**”), between Landlord and the United Nations;

WHEREAS, the Original Leases expired pursuant to their respective terms;

WHEREAS, Landlord has entered into a lease with the United Nations Development Programme (the “**UNDP**”; and together with the United Nations, the “**Lessees**”) dated as of February 3, 2025 and effective on the Closing Date, for portions of the One U.N. Plaza Building, as said lease may be amended and extended after the date hereof pursuant to the provisions thereof (the “**One U.N. Plaza Lease**”), such portions of the One U.N. Plaza Building (the “**UNDP Leased Premises**”) being those described as the leased premises in the One U.N. Plaza Lease, together with any portions of the One U.N. Plaza Building that are included after the date hereof as part of the leased premises under the One U.N. Plaza Lease subject to the provisions thereof;

WHEREAS, Landlord has entered into a new lease with the United Nations dated as of February 3, 2025 and effective on the Closing Date, for portions of the Two U.N. Plaza Building, as said lease may be amended and extended after the date hereof pursuant to the provisions thereof (the “**Two U.N. Plaza Lease**”; and together with the One U.N. Plaza Lease, the “**Leases**”), such portions of the Two U.N. Plaza Building (the “**U.N. Leased Premises**”; and together with the UNDP Leased Premises, the “**Leased Premises**”) being those described as the leased premises in the Two U.N. Plaza Lease, together with any portions of the Two U.N. Plaza Building that are included after the date hereof as part of the leased premises under the Two U.N. Plaza Lease subject to the provisions thereof;

WHEREAS, as of the date hereof, the term of each Lease is scheduled to terminate on the last day of the calendar month in which the day preceding the 15th anniversary of the Closing Date occurs, subject to the right of the Lessee thereunder to renew its respective Lease on each of the 15th and 20th anniversaries of the Closing Date (each date being a “**Renewal Option**”), and if both

Renewal Options are fully exercised by the Lessee thereunder, such Lease will have a final lease expiration date of last day of the calendar month in which the day preceding the 25th anniversary of the Closing Date occurs (the “**Final Lease Expiration Date**”);

WHEREAS, subject to Section 9.10 below, in connection with the occurrence of each Backup Commencement Event (as defined herein) any time prior to the maturity of the Bonds (the “**Bond Maturity Date**”), Landlord wishes to lease to Tenant, and Tenant wishes to lease from Landlord, subject to the terms and conditions of this Lease, the portion or portions of the Leased Premises, as the same are described in the Leases as of the herein defined Commencement Date, reverting to Landlord or otherwise connected to the occurrence from time to time of each Backup Commencement Event at any time prior to the Bond Maturity Date;

WHEREAS, pursuant to the Support Agreement, dated as of March 14, 2025, between Tenant and Landlord (the “**Support Agreement**”), Tenant has agreed to provide financial assistance to Landlord in the form of support payments (the “**Support Payments**”) on Tenant’s Bonds (as defined herein) upon the occurrence of certain events and circumstances described therein;

WHEREAS, the execution and delivery of this Lease by and on behalf of Tenant have been approved in accordance with Sections 195 and 824 of the New York City Charter; and

NOW, THEREFORE, in consideration of the mutual covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

ARTICLE 1

CERTAIN DEFINED TERMS; DEMISE OF PREMISES; TERM; AND RENT

Section 1.01. The following capitalized terms shall have the respective meanings specified for purposes of this Lease:

Backup Commencement Event shall mean the occurrence of (i) a Shedding Rights Event, a Non-Renewal Event or a Termination Event that results in a Lessee ceasing to occupy and surrendering to Landlord one or more full floors at the Leased Premises, or (ii) a Non-Expansion Event. A more detailed list of the Backup Commencement Events is set forth in Attachment 1.

Basic Annual Rent shall have the meaning set forth in Section 1.05(a).

Bonds shall mean the Series 2025 Bonds and any Refinancing Bonds.

Bond Maturity Date shall have the meaning set forth in the Recitals hereof.

Business Day shall mean any day which is not a Saturday, Sunday or a day observed as a holiday by either the State of New York or the federal government.

City Rental Payment or **City Rental Payments** shall mean, collectively, payments of Basic Annual Rent.

City Rental Payment Date shall mean the last Business Day of each calendar month during the Term, provided, however, no City Rental Payment Date will occur until an appropriation (subject to Section 9.10 of this Lease) for City Rental Payments for such fiscal year shall have been made by Tenant.

Commencement Date shall mean the date on which the Term begins for any portion of the Premises, which shall be after the occurrence of a Backup Commencement Event. In the case of a Shedding Rights Event, a Non-Renewal Event or a Termination Event, the applicable Commencement Date shall be the date on which the applicable Lease is terminated with respect to such Leased Premises due to the Shedding Rights Event, the Non-Renewal Event or the Termination Event. In the case of a Non-Expansion Event, the applicable Commencement Date shall be the date on which the Leased Premises becomes available for occupancy due to the failure of the Lessee to timely exercise its option or right of first refusal in whole or in part under its Lease to expand its Leased Premises; provided in each case the conditions in Section 1.06 are met, including the requirement that Tenant shall have received notice of the Payment Request Date relating thereto on or before December 15th of the year prior to the adoption of the New York City budget for the fiscal year in which such Commencement Date is scheduled to occur.

Closing Date shall mean the date of issuance of the Series 2025 Bonds.

Documents shall mean, for purposes of the calculation of Operating Expenses, individually or collectively, any indenture, trust agreement, bond resolution or other document securing or governing any outstanding debt incurred by Landlord.

Net Revenues for such period shall mean Revenues less Operating Expenses.

Non-Expansion Event means if a Lessee fails to timely exercise as to all available premises any option under its Lease to expand its Leased Premises, or fails to expand its Leased Premises to all available premises pursuant to any right of first offer under its Lease.

Non-Renewal Event means if a Lessee elects not to exercise its respective Renewal Option or extend its respective Lease as to any portion of its Leased Premises on the Final Lease Expiration Date for the period from such time to the Bond Maturity Date.

Non-Renewal Shedding Rights shall mean the right of (i) UNDP set forth in Article 11 of the One U.N. Plaza Lease, and (ii) the U.N. set forth in Article 11 of the Two U.N. Plaza Lease as further described in Attachment 1 attached hereto and made a part hereof.

Operating Expenses shall have the meaning set forth in clause (y) of paragraph 2 in the definition of “Consolidated Surplus” in the Two U.N. Plaza City Lease; *provided; however*, any amounts required to be transferred to the City Backup Lease Rental Reserve Fund established under the Two U.N. Plaza City Lease (the “**City Backup Lease Rental Reserve Fund**”) shall not be “Operating Expenses” hereunder.

Payment Request Date shall mean a date on or before December 15th of the year prior to the adoption of the New York City Budget for the fiscal year projected to need an appropriation (subject to Section 9.10 of this Lease) for City Rental Payments. By way of example, if an appropriation for City Rental Payments is needed in the fiscal year beginning July 1, 2032, the Payment Request Date is December 15, 2030.

Preliminary Commencement Notice shall have the meaning set forth in Section 1.06(a)(i).

Real Estate Consultant shall mean the firm or person at the time engaged as the Real Estate Consultant by Landlord under this Lease to perform and carry out the duties imposed on the Real Estate Consultant by this Lease.

Refinancing Bonds shall mean any bonds issued by Landlord to refinance the Series 2025 Bonds from time-to-time in accordance with their terms; provided, however, the scheduled maturity date of any Refinancing Bonds shall not be later than the Bond Maturity Date.

Renewal Option shall have the meaning set forth in the Recitals hereof.

Renewal Shedding Right shall mean the right of (i) UNDP set forth in Section 9.01 of the One U.N. Plaza Lease, and (ii) the U.N. set forth in Section 9.01 of the Two U.N. Plaza Lease and as further described in Attachment 1 attached hereto and made a part hereof.

Rent shall mean (i) all amounts of rent payable pursuant to the Leases and as further described in Attachment 2 attached hereto and made a part hereof, taking into account any, offsets, credits and abatements to the obligation to pay such rent, and (ii) all amounts of rent payable by a sub-tenant of Tenant and assigned to Landlord with respect to any portion of the Premises.

Rental Reserve Deposit shall mean an amount payable from amounts that would otherwise be available for the payment of Base Rent and Additional Rent (each as defined in the Two U.N. Plaza City Lease) in any year as provided in Section 1.05(a) of this Lease that will be transferred to the City Backup Lease Rental Reserve Fund as determined annually.

Revenues for any period shall mean the aggregate of Landlord's revenues during the period from operations of the UNDC Properties and interest and other earnings during such period on all monies, funds and accounts of Landlord.

Series 2025 Bonds means the Landlord's 2025 Bonds, Series A (Federally Taxable).

Shedding Rights shall mean, collectively, the Non-Renewal Shedding Rights and the Renewal Shedding Rights.

Shedding Rights Event means if any Lessee exercises its Shedding Rights.

Termination Event shall mean if a Lessee terminates all or a portion of the premises under its Lease in accordance with the provisions set forth in such Lease as further described in Attachment 1 attached hereto and made a part hereof.

Two U.N. Plaza Additional Rent shall have the meaning set forth in Section 4.03(a) of the Two U.N. Plaza City Lease.

Two U.N. Plaza Base Rent shall have the meaning set forth in Section 1.01(d) of the Two U.N. Plaza City Lease.

Two U.N. Plaza City Lease shall mean that certain lease agreement, dated as of May 8, 1981, between Tenant and Landlord, as amended on March 31, 1994, February 3, 1995, July 23, 1997, July 15, 1998, January 1, 2004 and as it may hereafter be amended.

UNDC Properties means the One U.N. Plaza Building, the Two U.N. Plaza Building and the Three U.N. Plaza Building (until the Three U.N. Plaza Building is transferred to UNICEF or the United Nations upon the expiration of the UNICEF Lease), including the premises that are the subject of the Leases as of the date of execution and delivery thereof.

Section 1.02. Demise of Premises.

(a) Subject to all other terms and conditions of this Lease, Landlord hereby agrees to lease to Tenant, and Tenant hereby agrees to lease from Landlord, the Leased Premises as the same are described in the Leases as of the Commencement Date, as follows: (i) in the case of a Shedding Rights Event, the portion or portions of the Leased Premises released due to the exercise by a Lessee of its Shedding Rights; (ii) in the case of a Non-Renewal Event, the portion or portions of the Leased Premises that were the subject of the Lease not renewed or extended; (iii) in the case of a Non-Expansion Event, the portion or portions of the UNDC Properties to which the Lessee failed to expand its Leased Premises pursuant to any option or right of first offer under its Lease, and (iv) in the case of a Termination Event, the portion or portions of the Leased Premises that were the subject of termination of the Lease, for a term (the “**Term**”) as described in Section 1.03 below (said premises, to the extent the Term has commenced with respect thereto, together with said alterations, additions and improvements, are hereinafter collectively referred to as the “**Premises**”). During the Term and subject to the provisions of this Lease, Tenant has the exclusive right, 24 hours per day, every day each year, to use and occupy the Premises and such rights of access thereto as are reasonably necessary for use and occupancy thereof by Tenant and Tenant’s subtenants permitted under this Lease.

(b) Provided that Landlord has complied with its obligations under Section 9.01 below, Tenant agrees to take the Premises “as is” in the condition thereof on each date on which the Term commences for each portion thereof and acknowledges that each portion of the Premises and the building of which the same forms a part are hereby deemed to be in satisfactory condition at the time the Term therefor commences, including any portion thereof that has not been renovated or improved, provided further that nothing in this Section 1.03(b) shall affect the commencement of the Term.

Section 1.03. Term.

(a) For each portion of the Premises, the Term begins on the Commencement Date. In no event may the Term for any portion of the Premises begin or end after the Bond Maturity Date unless any Bonds (including Refinancing Bonds), remain outstanding as of the Bond Maturity Date, in which case the Term shall terminate and expire as provided in Section 1.03(b)(ii).

(b) The Term terminates and expires on the earliest of the following dates: (i) the date on which Landlord's entire interest in the Leased Premises is transferred for value, and after such date, this Lease will have no force or effect; (ii) the date on which Bonds (including any Refinancing Bonds) are no longer outstanding and after such date, this Lease will have no force or effect; and (iii) the date on which this Lease is terminated by Landlord pursuant to the provisions hereof or pursuant to law; provided, however, no termination hereunder shall be effective without the Tenant's consent. Notwithstanding clause (ii) of the first sentence of this Section 1.03(b), if the Bonds are at the time insured at Landlord's request by a bond insurer or other liquidity or credit provider and if thereafter the Bonds are retired by acceleration or redemption following a default by Landlord with respect thereto, then the Term will terminate and expire on the earlier of the Bond Maturity Date and the date on which the holders of the Bonds and their successors in interest have received all amounts that they are entitled to receive pursuant to the terms thereof. On January 15 of each year after the Closing Date and until the expiration of the Term, Landlord shall notify Tenant of the date when Landlord expects that the Bonds will be paid in full.

(c) The Bonds are deemed to be "outstanding" for purposes of this Lease only if and to the extent they are "Outstanding" as defined in the bond indenture (as the same may be amended or supplemented) under which the Bonds are issued.

(d) Landlord may not issue Refinancing Bonds without the prior written consent of Tenant. Notwithstanding the foregoing sentence, Tenant's consent for any Refinancing Bonds shall not be required if (i) after the issuance of Refinancing Bonds the debt service of Bonds in each year until maturity (taking into account the issuance of Refinancing Bonds and the defeasance and/or redemption of the Bonds being refunded) would not be more than such debt service immediately prior to the issuance of such Refinancing Bonds (a "**Refunding for Savings**"), and (ii) Tenant receives prior written notice from Landlord.

(e) After the Commencement Date, and provided Tenant is in compliance with its obligations hereunder, Tenant may direct Landlord to issue Refinancing Bonds if either (i) a Refunding For Savings can be achieved or, (ii) the issuance of Refinancing Bonds are deemed advantageous to Tenant in its reasonable discretion and there is no material adverse impact on Landlord.

Section 1.04. City Backup Lease Rental Reserve Fund.

(a) On or before May 1 of each year the Tenant may, in its reasonable discretion, (i) direct Landlord ((A) from the Two U.N. Plaza Base Rent payable to the City and (B) from the amount of Two U.N. Plaza Additional Rent payable to the Real Property Division of the City as provided in Section 1.05(b) of this Lease, the difference, if any, between the Rental Reserve Deposit requested by the Tenant and the amount of Two U.N. Plaza Base Rent payable in

accordance with clause (A)) to make a Rental Reserve Deposit into the City Backup Lease Rental Reserve Fund during any year up to an agreed-upon funding requirement, or (ii) withdraw funds, or consent to the Landlord's withdrawal of funds, then held in the City Backup Lease Rental Reserve Fund, and apply such deposits or withdrawals to Basic Annual Rent after the occurrence of a Backup Commencement Event.

(b) Landlord and Tenant agree amounts on deposit in the City Backup Lease Rental Reserve Fund (i) are not subject to the pledge and lien of the Documents, (ii) may be invested in any Investment Obligation (as defined in the Documents) or any other investment obligation as directed by the Tenant provided such investment is permitted by Landlord's Investment Guidelines dated September 15, 2022, as amended from time to time, and (iii) may be withdrawn and applied by Tenant for any lawful purpose with not less than sixty days' notice to Landlord. If no Bonds are outstanding, amounts on deposit in the City Backup Lease Rental Reserve Fund shall be released to Tenant or retained by Landlord (with Tenant's consent), in each case for any lawful purpose.

Section 1.05. Rent.

(a) Tenant shall pay the following amount to Landlord as Basic Annual Rent for the Premises ("**Basic Annual Rent**"). During the Term, Tenant shall pay on or before each City Rental Payment Date for each calendar year or any portion thereof (each, a "**Rental Period**") an amount equal to (i) for any Rental Period from the Closing Date to the day of expiration or termination of either or both of the Leases, as applicable, the product of the amount described in clause (A) of the following sentence and a fraction, the numerator of which is the total number of square feet included in the Premises during the applicable Rental Period pursuant to this Lease, and the denominator of which is the total number of square feet included in the total U.N. Leased Premises and the UNDP Lease Premises during such applicable Rental Period, including in each case such portions of the Leased Premises added pursuant to any Lessee options or rights of first refusal, and (ii) for any Rental Period between the day after the expiration or termination of either or both of the Leases, the amount described in clause (B) of the following sentence. For purposes of the preceding sentence, the amount described as "clause (A)" in clause (i) is the sum of the full amounts that the Lessees were obligated to pay as rent (including any additional rent but without reference to any abatement, offset or credit) during the applicable Rental Period for the Leased Premises, and the amount described as "clause (B)" is the sum of the full amounts that the Lessees were obligated to pay as rent (including any additional rent but without reference to any abatement, offset or credit) in respect of the Leased Premises for the twelve months immediately prior to the expiration or termination of one or both of the Leases. The Tenant shall receive a credit in respect of such amount equal to the sum of (i) any and all amounts received by the Landlord for such portion of the Leased Premises during the applicable Rental Period, and (ii) amounts withdrawn from the City Backup Lease Rental Reserve Fund at Tenant's direction and applied to Basic Annual Rent, in each case which amounts shall be available on or before such City Rental Payment Date to the trustee for application to the Revenue Fund. Notwithstanding anything to the contrary herein or in any other Document, payment of Basic Annual Rent shall be an unconditional obligation of Tenant (subject to Section 9.10 hereof), and shall be paid without abatement, offset, credit or any other reduction except as expressly provided in this Section 1.05(a). Certain information relating to base rental rates is set forth in Attachment 2.

(b) During the Term, to the extent required under Section 4.03(a) (but subject to Section 4.03(d)) of the Two U.N. Plaza City Lease (and without duplication)), the Landlord shall continue to pay to the Real Property Division of the City, as therein provided, an amount of Two U.N. Plaza Additional Rent equal to ninety percent (90%) of the Net Revenues for the preceding fiscal year, less any amount the Tenant directs the Landlord to deposit into the City Backup Lease Rental Reserve Fund in accordance with Section 1.04(a) of this Lease. In addition, notwithstanding the dollar limitation of \$200,000 or more set forth in Section 4.03(b) of the Two U.N. Plaza City Lease, during that period, the Deputy Commissioner of the Division of Real Property of the City may request that the Landlord make estimated payments in the following year in quarterly installments of 25% each in an aggregate amount equal to ninety percent (90%) of such estimated Net Revenues, less any amount the Tenant directs the Landlord to deposit into the City Backup Lease Rental Reserve Fund in accordance with Section 1.04(b) of this Lease.

(c) The payment of Basic Annual Rent is intended to be, and shall be, independent of Tenant's Obligation to make Support Payments under the Support Agreement.

(d) Landlord covenants to enforce its remedies under the Leases to collect any unpaid or withheld Rent. Landlord further agrees that any Rent recovered or collected in connection with its exercise of such remedies shall be credited against Basic Annual Rent after the Commencement Date.

Section 1.06. Procedures for City Rental Payments; Payment.

(a) The obligation of Tenant to make City Rental Payments hereunder shall not be effective until Tenant has received each of the following from Landlord (unless otherwise waived by Tenant):

- (i) Preliminary notice of a Commencement Date (a "**Preliminary Commencement Notice**") within thirty (30) days' of UNDC's determination that a Non-Expansion Event has occurred and/or UNDC's receipt of notice from either the UN or UNDP of a Backup Commencement Event, in each case setting forth (A) the nature of the Backup Commencement Event, (B) the estimated number of square feet and the specific floors included in such portion of the Leased Premises to be leased to Tenant, and (C) the impact of the Backup Commencement Event on Landlord's projected cash flow over the following five (5) years;
- (ii) Landlord's rolling 5-year financial projections on each January 1, April 1, July 1 and October 1 following the Preliminary Commencement Notice; and
- (iii) A request for City Rental Payments from Tenant on or prior to the Payment Request Date.

(b) A final notice of a Commencement Date not less than sixty (60) days prior to the Commencement Date relating to a Shedding Rights Event and a Non-Renewal Event and as soon as practicable, but in no case less than ten (10) days, prior to the Commencement Date relating to Termination Event or a Non-Expansion Event (a "**Final Commencement Notice**") setting forth (i) the final number of square feet and the specific floors included in such portion of the Leased

Premises to be leased to Tenant, (ii) the first City Rental Payment Date for such portion, and (iii) the estimated amount of Basic Annual Rent then due and payable.

(c) No later than the tenth (10th) Business Day prior to each City Rental Payment Date, Landlord shall deliver written notice (a “**Payment Notice**”) to Tenant of the calculation of the City Rental Payment due on such City Rental Payment Date. Tenant shall pay each City Rental Payment on each City Rental Payment Date.

(d) Tenant shall pay all or a portion of Basic Annual Rent, whether from appropriated funds or from the City Backup Lease Rental Reserve Fund, directly to the Trustee by wire transfer, without any setoff or deduction whatsoever, except as otherwise provided in Section 1.05(b).

ARTICLE 2

TERMS SPECIFIC TO ONE U.N. PLAZA BUILDING

Section 2.01. Staff Café and Vending Machines. Tenant is permitted, at Tenant’s expense and subject to the terms and conditions of this Lease, to operate in the UNDP Leased Premises a staff café and sandwich bar serving food, beverages and other appropriate products in vending machines similar to the facility being operated in the UNDP Leased Premises as of the Closing Date, all in accordance with the then effective applicable rules, regulations and health code of the City of New York. Tenant, at Tenant’s expense, shall (a) cause any such staff café and sandwich bar and other area in the Premises, used for or in connection with the activities permitted under this Section 2.01, to be kept clean and (b) cause all refuse, rubbish and garbage in such areas or arising in connection with such activities to be removed promptly from the One U.N. Plaza Building.

ARTICLE 3

TERMS SPECIFIC TO TWO U.N. PLAZA BUILDING

Section 3.01. Delivery of Non-Disturbance Agreement. At Tenant’s request, prior to the Commencement Date Landlord shall deliver or cause to be delivered to Tenant a non-disturbance agreement in customary form executed by the Bishop Trading Company pursuant to Article XXIX, Section 4, of the ground lease dated August 1, 1980 between Landlord and Bishop Trading Company applicable to the Two U.N. Plaza Building. Nothing in this Section 3.01 shall affect the commencement of the Term.

Section 3.02. Electricity.

(a) Tenant acknowledges that Landlord has heretofore fulfilled its obligations pursuant to Section 3.02 of the Original Two U.N. Plaza Lease, and that the electric wiring, risers, feeders, and meters described therein are hereby accepted by Tenant in “as is” condition.

(b) Tenant may elect, at any time, upon not less than thirty (30) days notice to Landlord, to obtain Tenant’s Electric Current (as defined in the Original Two U.N. Plaza Lease) for all or any portion of the Premises in the Two U.N. Plaza Building directly from the appropriate

public utility, effective at such time as Tenant receives Tenant's Electric Current directly from the appropriate public utility. If Tenant exercises its right hereunder: (i) this Lease shall continue in full force and effect and shall be unaffected thereby except only that from and after the date on which Tenant receives Tenant's Electric Current directly from the appropriate public utility, Landlord shall not be obligated to furnish Tenant's Electric Current to Tenant and Tenant shall not be obligated to pay for Tenant's Electric Current hereunder; (ii) Tenant shall arrange to obtain Tenant's Electric Current directly from the public utility company furnishing electric current to the building or from the Power Authority of the State of New York or, subject to the approval of Landlord, which such approval shall not be unreasonably withheld, conditioned or delayed, from such other public utility as Tenant may request, and such electric current may be furnished to Tenant by means of the then existing building system feeders, risers and wiring to the extent that the same are available, suitable and safe for such purposes; and (iii) all meters and additional panel boards, feeders, risers, wiring and other conductors and equipment that may be required for Tenant to obtain Tenant's Electric Current directly from such public utility company shall be installed and maintained by Tenant at its expense or, at the election of Tenant, may be included as part of the Tenant Work (as hereinafter defined) to be performed pursuant to Article 4 hereof.

Section 3.03. Staff Café and Vending Machines. Tenant is permitted, at Tenant's expense and subject to the terms and conditions of this Lease, to operate in the U.N. Leased Premises a staff café and sandwich bar serving food, beverages and other appropriate products in vending machines similar to the facility being operated in the UNDP Leased Premises as of the Closing Date, all in accordance with the then effective applicable rules, regulations and health code of the City of New York. Tenant, at Tenant's expense, shall (a) cause any such staff café and sandwich bar and other area in the Premises, used for or in connection with the activities permitted under this Section 3.03, to be kept clean and (b) cause all refuse, rubbish and garbage in such areas or arising in connection with such activities to be removed promptly from the Two U.N. Plaza Building.

ARTICLE 4

INITIAL ALTERATIONS BY TENANT OR LANDLORD AT TENANT'S REQUEST AND ON TENANT'S BEHALF

Section 4.01. Initial Alterations by Landlord at Tenant's Request and on Tenant's Behalf. As set forth more fully below in this Section 4.01, Landlord shall, at Tenant's request and cost (i) prepare plans and specifications for alterations and improvements ("**Tenant Work**") to any portion of the Premises for the purpose of the initial occupancy thereof under this Lease, and (ii) perform or cause to be performed Tenant Work in compliance with such plans and specifications.

(a) Within six months prior to, and at any time after, the first day of the Term with respect to any portion of the Premises, Tenant may give notice to Landlord ("**Tenant's Work Notice**") that it requires Landlord to perform any Tenant Work for any such portion of the Premises. Tenant shall include with any Tenant's Work Notice (1) information in reasonable detail ("Program Details") concerning the staffing and equipment to be located in such portion of the Premises, and (2) specifications ("**A&E Specifications**") for architectural and engineering services (the "**A&E Services**") for the preparation of plans and specifications for such Tenant

Work. Based upon the Program Details, Landlord shall engage an architect and/or engineer to prepare “Preliminary Plans” and “Final Plans,” in accordance with the A&E Specifications. At such time or times as requested by Tenant, but not before the first day of the Term with respect to the portion of the Premises for which the Tenant Work will be performed, Landlord shall perform or cause to be performed the Tenant Work for such portion of the Premises in accordance with the Final Plans therefor.

(b) Tenant shall reimburse Landlord for all costs and expenses incurred by Landlord in accordance with this Section 4.01 for (1) A&E Services, including preparation of Preliminary Plans and Final Plans; (2) the submission of same to the appropriate governmental authorities for approval; and (3) the performance of all items of Tenant Work including Tenant Work performed pursuant to change orders approved by Tenant (collectively, “**Tenant Work Cost**”). Landlord will not be paid an administrative or management fee for the performance of Tenant Work. Reimbursement of Landlord by Tenant for Tenant Work Cost incurred by Landlord is required based on the extent of performance of the A&E Services or the Tenant Work, as the case may be, and within a reasonable time after such costs have been incurred, as Landlord and Tenant reasonably agree on prior to such Tenant Work Costs being incurred by Landlord. In the absence of such agreement, Landlord is not obligated to incur any such costs, notwithstanding any other provision of this Section 4.01.

(c) Landlord shall follow all instructions of Tenant concerning A&E Services or Tenant Work, and shall transmit to Tenant all communications received by Landlord concerning A&E Services or Tenant Work, including any communications concerning change orders or increases in Tenant Work Costs. In the event of any dispute concerning Tenant Work Costs involving any third party, Landlord shall notify Tenant of such dispute and shall follow all instructions of Tenant with respect thereto, including commencing and diligently pursuing any action deemed necessary by Tenant. So long as Landlord has complied with its obligations under this Section 4.01 and the City has approved Tenant Work Costs (which approval shall not be unreasonably withheld), Tenant shall, within a reasonable time after the same are incurred by Landlord, reimburse Landlord for any costs and expenses incurred by Landlord, including any professional fees or other costs incurred, as a result of any dispute concerning Tenant Work Costs.

(d) Except as provided above in this Section 4.01, Tenant has no obligation to reimburse Landlord for any costs Landlord incurs for A&E Services or for Tenant Work.

Section 4.02. Initial Alterations by Tenant. If Landlord fails to perform its obligations under Section 4.01, Tenant may give Landlord notice of such failure. Unless Landlord (a) corrects such failure within ten business days after receipt of such notice or (b) in the case of a failure that cannot reasonably be corrected within ten business days, takes action within such ten-day period to correct such failure and, thereafter, proceeds diligently with continuity to correct such failure, then Tenant, in addition to any other remedy it may have, may proceed with Tenant Work at Tenant’s cost and expense as if no Tenant’s Work Notice with respect to such Tenant Work had been given by Tenant, and in such event, Landlord shall cooperate with Tenant and Tenant’s contractors then engaged by Tenant in the performance of such Tenant Work.

ARTICLE 5

RELETTING BY LANDLORD AT TENANT'S REQUEST AND ON TENANT'S BEHALF; TENANT'S RIGHT TO REPAIR

Section 5.01. Reletting by Landlord at Tenant's Request and on Tenant's Behalf. Beginning on the earlier of (i) the Commencement Date, and (ii) the date on which Landlord receives any information in writing from any Lessee to the effect that as of a specific date, such Lessee will cease to occupy and will surrender to Landlord any portion of the applicable Leased Premises, or will not expand to any additional premises pursuant to any option or right of first refusal under its Lease, and at all times thereafter, Landlord shall, at the request and on behalf of Tenant, seek in good faith to sublet, on such terms as Landlord proposes and Tenant approves, all such portions of the Leased Premises that such Lessee ceases to occupy and surrenders to Landlord or will not expand to pursuant to any option or right of first refusal under its Lease. Any amounts received by Landlord under such subletting in excess of Landlord's actual reasonable costs for seeking and obtaining such subletting, for which Landlord has the right to obtain reimbursement from such amounts, will be paid to Tenant to the extent Landlord does not first credit such amounts against, and apply them to reduce, the payments of rent otherwise required to be made by Tenant hereunder. Except as provided in the previous sentence, no such subletting, and no acts of Landlord seeking to enter into any such subletting as provided herein, will have any effect on the obligations of Tenant under this Lease.

Section 5.02. Tenant's Right to Repair. If at any time during the Term an emergency condition exists in any portion of the Premises as a result of any failure by Landlord to comply with its obligations under this Lease or the Leases concerning repairs or maintenance, then, following such notice by Tenant to Landlord of such condition and failure as is reasonable under the circumstances and the continuation thereafter of such condition and failure, Tenant is permitted, but not obligated, to perform, at Tenant's expense, such repairs as are reasonably necessary to correct such emergency condition; provided, however, that, notwithstanding the foregoing, Tenant has no right to perform any repairs outside the Premises or any repairs that would adversely affect Common Elements (as hereinafter defined) of either the One U.N. Plaza Building or the Two U.N. Plaza Building and Tenant may not take any action that would violate the Declaration of Condominium, dated June 5, 1997 (the "**Condominium Declaration**"), creating the One United Nations Plaza Condominium covering the One U.N. Plaza Building. For the purposes of this Section 5.02, "Common Elements" means (a) building areas or other areas of which Tenant does not have exclusive use, including, without limitation, lobbies and elevators (collectively, "**Common Areas**"), (b) structural elements and exterior building surfaces, (c) walls and partitions dividing any part of the Premises from Common Areas, (d) building systems, including, without limitation, the steam supply/heating system, the electrical system, the water supply system, the waste water return (sewer) system, the HVAC systems, the air distribution and exhaust systems and the life safety system and (e) all other parts of the One U.N. Plaza Building and the Two U.N. Plaza Building the common use of which is necessary for the existence, maintenance or safe operation thereof. Landlord shall reimburse Tenant's reasonable costs of any emergency repair it elects to perform pursuant to the requirements of this section provided the costs arising from such emergency condition resulted from any failure by Landlord to comply with its obligations hereunder or under the Leases.

ARTICLE 6

ASSIGNMENT OR UNDERLETTING

Section 6.01. Assignment or Underletting.

(a) Except as otherwise provided in this Section 6.01, Tenant may not license, sublet or underlet (“**sublet**”) all or any part of the Premises or assign this Lease without the prior written consent of Landlord. Use or occupancy of the Premises by any department, agency or instrumentality of The City of New York, but not by any others except pursuant to other provisions of this Lease, is permitted hereunder and does not require Landlord’s consent as a licensing, subletting, assignment or otherwise.

(b) Tenant may license or sublet all or any part of the Premises or assign this Lease to:

- (i) The State of New York, or the departments, agencies or instrumentalities thereof, without the consent of Landlord, provided that any such proposed assignee assumes performance of Tenant’s obligations hereunder by an instrument reasonably satisfactory to Landlord and provided that no portion of the Premises in the case of such an assignment of this Lease, and no portion of the Premises so leased or sublet, is used other than by The State of New York, its departments, agencies or instrumentalities; or
- (ii) any other entity, without the consent of Landlord, provided that any such proposed assignee assumes performance of Tenant’s obligations hereunder (other than Basic Annual Rent) by an instrument reasonably satisfactory to Landlord; provided, however, Basic Annual Rent shall continue to be an obligation of Tenant.

(c) Before any department, agency or instrumentality of The City of New York, or any other sublessee of Tenant uses or occupies the Premises, Tenant shall give Landlord notice thereof. If Tenant intends to license or sublet all or any part of the Premises, at least 20 days prior to the Proposed Effective Date, hereinafter defined, Tenant shall give Landlord notice of such intention, setting forth the proposed commencement date of the license or sublease term (“**Proposed Effective Date**”), to which notice shall be attached a copy of the proposed license or sublease agreement and of all agreements collateral thereto. Landlord agrees to enter into a customary recognition, non-disturbance and attornment agreement for any subletting of at least one (1) floor by Tenant.

(d) Tenant remains primarily liable under the terms of this Lease, and Landlord is entitled to enforce the provisions hereof against Tenant, regardless of any use, occupancy, licensing or subletting referred to in this Article 6. Any licensee or subtenant of Tenant, and any other occupant of the Premises, is subject to and required to comply with all terms and conditions of this Lease, including the provisions of this Article 6, as if such licensee, subtenant or other occupant were Tenant. If this Lease terminates then, subject to the terms of any applicable recognition, non-disturbance and attornment agreement, all rights and interests of the sublessee or

other occupant of the Premises shall automatically terminate and expire and such sublessee or occupant shall promptly vacate and surrender the Premises, and any sublease or occupancy agreement shall expressly so provide.

ARTICLE 7

ENVIRONMENTAL COVENANTS

Section 7.01. Environmental Covenants.

(a) In connection with the rental, use, maintenance and operation of the Premises, Tenant shall at all times comply with, and shall not violate, applicable federal, state, county, or local statutes, laws, regulations, rules, ordinances or codes, or licenses or permits of any governmental authorities, relating to environmental matters and any amendments or extensions thereof, including: (i) the Clean Air Act; (ii) the Federal Water Control Pollution Act of 1972; (iii) the Resource Conservation and Recovery Act of 1976; (iv) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980; (v) the Toxic Substances Control Act; (vi) the New York State Environmental Conservation Law; (vii) the New York State Public Health Law; and (viii) all other applicable environmental requirements.

(b) Without limiting the generality of Section 7.01(a), Tenant: (i) shall operate the Premises, and shall at all times receive, handle, use, store, treat, and dispose of all hazardous or toxic substances, petroleum products and waste generated by Tenant, its subtenants, agents or employees in the Premises, in compliance with all applicable environmental, health, or safety statutes, ordinances, orders, rules or regulations; and (ii), except as otherwise provided for herein, shall remove from and off the Premises all hazardous or toxic substances, petroleum products and waste contamination generated or caused by Tenant, its subtenants, agents or employees.

(c) Tenant shall not cause any hazardous or toxic materials, substances, pollutants or contaminants to be released into the environment, or deposited, discharged, placed or disposed of, from, at or near the Premises, except in compliance with applicable laws.

(d) Tenant shall, immediately upon receipt of notice of any violation of any of the matters referred to above in this Section 7.01 relating to the Premises or its use, deliver a copy of same to Landlord. Landlord shall keep any such notice strictly confidential and not disclose same to any third party, except as may be required by applicable law. Landlord will cooperate with Tenant regarding appropriate responses.

(e) Tenant shall reimburse Landlord for, and defend and indemnify Landlord and hold Landlord harmless from and against, any and all liabilities, claims, damages, penalties, expenditures, losses or charges (including all necessary costs of investigation, monitoring, legal fees, fines, penalties, and necessary remedial response, removal, restoration or permit acquisition) that at any time after the Commencement Date may be undertaken, suffered, paid, awarded, assessed, or otherwise incurred as a result of.

(i) any contamination on, above or under the Premises at any time after the Commencement Date that exists as a result of the use of the Premises by Tenant, its employees, contractors, lessees or agents;

- (ii) any investigation, monitoring, cleanup, removal, restoration, remedial response or remedial work undertaken on the Premises by or on behalf of Landlord or Tenant at any time that is necessitated by contamination caused by Tenant, its employees, contractors or lessees or agents; or
- (iii) Tenant's failure otherwise to comply with the provisions of this Section 7.01.

Notwithstanding anything to the contrary contained herein, Tenant shall only be responsible for the portion of the liabilities, claims, damages, penalties, expenditures, losses or charges arising as the direct result of (A) the spill, release or discharge of any hazardous or toxic substance, waste or material by Tenant, its employees, contractors or lessees after the Commencement Date or (B) Tenant's violation of any law or permit during the Term. Further, in the event any cleanup becomes necessary and Tenant is responsible for all or a portion of same, Landlord consents to application of the least stringent standards acceptable to the government agency with jurisdiction, including the use of engineering and/or institutional controls as an alternative to active remediation.

(f) The termination or expiration of this Lease does not relieve or release Tenant of any legal liability and responsibility Tenant would otherwise have with respect to the Premises whether by way of damages, penalties, remedial actions or otherwise for any adverse effects or consequences resulting at any time from Tenant's failure to comply with the provisions of this Section 7.01 during the Term.

(g) Landlord shall reimburse Tenant for, and defend and indemnify Tenant and hold Tenant harmless from and against, any and all liabilities, claims, damages, penalties, expenditures, losses or charges (including all costs of investigation, monitoring, legal fees, fines, penalties, remedial response, removal, restoration or permit acquisition) that may at any time after the Commencement Date be undertaken, suffered, paid, awarded, assessed, or otherwise incurred as a result of:

- (i) any contamination on, above or under the Premises either arising, occurring or existing before the Commencement Date or at any time caused by Landlord, its employees, contractors, lessees (other than Tenant) or agents;
- (ii) any investigation, monitoring, cleanup, removal, restoration, remedial response or remedial work undertaken on the Premises arising, occurring or existing before the Commencement Date or at any time caused or necessitated by Landlord, its employees, contractors, lessees (other than Tenant) or agents; or
- (iii) Landlord's breach of representation, warranty or covenant under this Section 7.01.

(h) Landlord represents and warrants that to the best of its knowledge: (i) there have been no spills, discharges or releases of hazardous or toxic substances, materials or wastes or similar materials on or adversely affecting the Premises; (ii) no environmental contamination or underground storage tank exists on the Premises; (iii) there are no pending or threatened civil,

criminal or administrative proceedings involving the Premises or development of the Premises; and (iv) no part of the Premises or any area affecting the Premises is a landfill or dump, the subject of any existing or threatened lien under any law, or on the National Priorities List or similar federal, state or local environmental, health or safety list.

ARTICLE 8

NOTICES

Section 8.01. Notices.

(a) Any bill, statement, notice or other communication (each, a “**Notice**”) required or permitted to be given by the terms and provisions of this Lease, either by Landlord or Tenant, is to be personally delivered or sent by United States mail, postage prepaid, registered or certified mail, return receipt requested, or sent by nationally recognized overnight courier. Any Notice shall be addressed to Landlord or to Tenant at the address set forth below (or at such other address of which Notice has been given in accordance herewith):

If to Landlord	United Nations Development Corporation Two United Nations Plaza 27 th Floor New York, New York 10017 Attention: General Counsel
with a copy to:	United Nations Development Corporation Two United Nations Plaza 27 th Floor New York, New York 10017 Attention: Executive Vice President
If to Tenant:	Department of Citywide Administrative Services of the City of New York The Municipal Building One Centre Street, 20 th Floor North New York, New York 10007 Attention: Executive Director, Leasing and Acquisitions
with a copy to:	Corporation Counsel of the City of New York 100 Church Street New York, New York 10007-2601 Attention: Chief, Economic Development Division

(b) Any Notice is deemed given as of the date of delivery (or refusal to accept delivery) as indicated by affidavit of the party delivering such notice in case of personal delivery or by the return receipt in the case of mailing or by the receipt of the overnight courier services, if applicable.

(c) Counsel for Landlord may deliver or receive any Notice on behalf of its client.

Section 8.02. Notice Must be in Writing. No Notice will be binding upon the parties unless in writing and signed by the representative of the party giving such Notice.

ARTICLE 9

GENERAL PROVISIONS

Section 9.01. Obligations Under Condominium Declaration and Leases. Landlord covenants to Tenant that (a) Landlord shall at all times after the Closing Date, including during the Term, comply with all of its material obligations under the Condominium Declaration and shall take reasonable actions to enforce the obligations of the Board of Managers under the Condominium Declaration that materially affect any of the UNDP Leased Premises prior to the Commencement Date or that materially affect any of the Premises during the Term, (b) Landlord shall take reasonable actions to enforce all of the material obligations of the UNDP under the One U.N. Plaza Lease and of the United Nations under the Two U.N. Plaza Lease and (c) Landlord shall comply with all of its material obligations under each of said leases, including provisions that apply in the event of condemnation or damage and destruction.

Section 9.02. Landlord's Work. Sections 4.01 of the One U.N. Plaza Lease and the Two U.N. Plaza Lease, and the exhibits thereunder are not incorporated into this Lease and have no force or effect hereunder.

Section 9.03. Broker. Landlord and Tenant each represent to the other that no broker has been concerned in the introduction of Tenant and Landlord or in the negotiation or execution of this Lease and that there is no broker who is or may be entitled to be paid a commission in connection therewith.

Section 9.04. No Waiver. The failure of Landlord or Tenant to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Lease does not prevent a subsequent act that would have originally constituted a violation from having all the force and effect of an original violation. The receipt by Landlord of rent with knowledge of the breach of any covenant of this Lease will not be deemed a waiver of such breach and no provision of this Lease will be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord. No payment by Tenant or receipt by Landlord of any lesser amount than the monthly rent herein stipulated will be deemed to be other than on account of the earliest stipulated rent.

Section 9.05. No Merger. The understanding and intent of the parties is that notwithstanding any right or interest of Tenant in or to the Premises that is superior to the right or interest of Landlord in and to the Premises, no such right or interest of Tenant will merge with the right and interest of Tenant under this Lease.

Section 9.06. Law Governing. This Lease is to be construed in accordance with the laws of the State of New York.

Section 9.07. Waiver of Jury Trial. SUBJECT TO APPLICABLE LAW, THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION RELATING TO THIS LEASE.

Section 9.08. Relationship of the Parties. Nothing contained in this Lease will be deemed or construed by the parties hereto nor by any third party as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood that neither the method of computation of rent nor any other provision herein contained, nor any acts of the parties hereto, will be deemed to create any relationship between the parties hereto other than landlord and tenant.

Section 9.09. Successors and Assigns. The covenants, conditions and agreements contained in this Lease bind and inure to the benefit of Landlord and Tenant and their respective successors, and, except as otherwise provided in this Lease, their subtenants and assigns.

Section 9.10. Tenant's Obligation Subject to Appropriation. Notwithstanding anything herein to the contrary (i) the obligation of Tenant to fund or to pay City Rental Payments is subject to annual appropriation by Tenant, and (ii) the obligation of Tenant to fund or to pay such amounts shall not constitute a debt of Tenant within the meaning of any constitutional or statutory provision and shall be deemed executory only to the extent of moneys appropriated and available to Tenant and no liability shall be incurred by Tenant under this Lease beyond moneys appropriated and available to Tenant for such purpose.

Section 9.11. Satisfaction of 1997 Bonds. Landlord represents that the bonds issued by Landlord on July 17, 1997 (the "**1997 Bonds**") and any bonds issued to refinance such bonds (including Landlord's \$42,085,000 2019 Refunding Bonds, Series A) are paid within the meaning of the applicable indenture and are no longer outstanding. Landlord and Tenant agree the Prior Lease shall be terminated on the Closing Date.

Section 9.12. Operating Expenses. Landlord covenants that the amount expended for Operating Expenses in any calendar year will not exceed the reasonable and necessary amount therefor. If for any calendar year Operating Expenses (excluding reserves for capital replacements, capital expenditures and costs that are subject to pass-through in accordance with the Lease or the Condominium Documents) exceed 115% of the prior year, Landlord shall, at Tenant's request, direct the Real Estate Consultant to prepare and submit to Landlord (after consulting with and receiving the recommendations of qualified architects, engineers or operating managers or consultants engaged or employed by Landlord) a report containing such Real Estate Consultant's recommendations to lower Operating Expenses (which report shall take into account the then-current operating conditions). Landlord shall, in the calendar year immediately following the calendar year in which Operating Costs exceeded 115% of the prior year's, comply with the recommendations of the Real Estate Consultant unless compliance is not obtainable in Landlord's reasonable discretion.

Section 9.13. Amendments to Leases.

(a) Landlord may not change, amend, modify or revise the Leases (other than technical, administrative or minor amendments, modifications or revisions that in Landlord's

discretion would not limit the rights or increase the obligations of Tenant under this Lease) without the consent of the Tenant (which consent may not be unreasonably withheld, conditioned or delayed) and no change, amendment, modification or revision shall change the “Basic Annual Rent” as set forth in Section 1.05(a) hereof or the definition of a “Backup Commencement Event” as of the date hereof or limit the rights or increase the obligations of Tenant under this Lease in any respect.

(b) The definitions of “Documents,” “Operating Expenses” and “Revenues” and the provisions of Section 1.05(b) hereof are the current provisions of the Two U.N. Plaza City Lease, but could be subject to change in accordance with the current provisions of such lease. In the event such provisions change, the Landlord and Tenant may amend this Lease to reflect such changes.

(c) The provisions of this Lease are not subject to the provisions of the Leases.

Section 9.14. Complete Agreement. This Lease, together with the Leases, to the extent incorporated herein, contains and embraces the entire agreement between the parties hereto and it or any part of it may not be changed, altered, modified, limited, terminated or extended orally or by any agreement between the parties unless such agreement is in writing and signed by the parties hereto, their legal representatives, successors or assigns, except as may be expressly otherwise provided herein. This Lease shall replace the Prior Lease in its entirety on the Closing Date.

Section 9.15. Invalidity of Particular Provisions. If any term or provision of this Lease or the application thereof to any person or circumstances is to any extent determined to be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is determined to be invalid or unenforceable, is not to be affected thereby and each term and provision of this Lease is intended to be valid and be enforced to the fullest extent permitted by law.

Section 9.16. Rules of Usage. The following rules of usage apply to this Lease unless otherwise required by the context:

(a) Singular words include the plural and vice versa. All pronouns are deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person(s) referred to may require.

(b) The words “herein,” “hereof” and “hereunder” and words of similar import are to be construed to refer to this Lease as a whole and not to any particular article, section, paragraph or subpart thereof unless expressly so stated.

(c) The headings, subheadings and table of contents of this Lease are solely for convenience of reference and do not constitute a part of this Lease nor do they affect the meaning, construction or effect of any provision of this Lease.

(d) The word “person” refers to individuals, corporations, partnerships, joint ventures, estates, trusts, unincorporated associations, governmental authorities and any other

entities. References to any person include such person and its successors and permitted assigns and in the case of an individual, his or her heirs and legal representatives.

(e) Each of the parties and their counsel have reviewed and revised, or requested revisions to, this Lease, and the usual rule of construction that any ambiguities are to be resolved against the drafting party is inapplicable in the construction and interpretation of this Lease.

(f) Unless the contrary is required by an express provision or the context, each reference to “the Premises” shall be deemed a reference to “the Premises or any part thereof”

(g) The words “include,” “including” and “such as” are each to be construed as if followed by the phrase “without limitation.”

(h) Any reference to successors and assigns of Tenant is not intended to constitute a consent to any assignment by Tenant but has reference only to those instances in which a particular assignment by Tenant is permitted under this Lease.

Section 9.17. Counterparts. This Lease may be executed in one or more counterparts, each of which will be deemed to be an original of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement. Counterparts of this Lease (or applicable signature pages hereof) that are manually signed and delivered by facsimile or e-mail transmission will be deemed to constitute signed original counterparts hereof and will bind the parties signing and delivering in such manner.

Section 9.18. Electronic Signatures. This Lease may be executed and delivered by electronic signatures and electronic signatures are the same as handwritten signatures for the purposes of validity, enforceability and admissibility.

Section 9.19. Provisions Relating to Tenant’s Insurance. It is the City of New York’s policy not to maintain insurance on private property (the “**Policy**”). The City of New York is a municipal corporation authorized to expend funds for any loss, claim, action or judgment. Tenant certifies that the City of New York will defend, settle and without limitation satisfy any judgment against it in connection with any claims and/or litigation filed against it by all entities and individuals for injuries and/or property damage arising from the City’s tenancy under this Lease. If Tenant shall elect to change its Policy or if this Lease shall be assigned to any other party or if the Premises shall be sublet to any other party, other than an agency or department of the City of New York, the Tenant, assignee or subtenant, as the case may be, shall provide and keep in force commercial general liability insurance and commercial property insurance with respect to the Premises as shall be satisfactory to Landlord in its commercially reasonable discretion.

Section 9.20. Subrogation Waiver.

(a) Notwithstanding anything in this Lease to the contrary, to the extent permitted by law, Landlord and Tenant waive all rights against each other for any losses or damages that are covered under any insurance that such party is required to obtain under this Lease or any other insurance obtained that is applicable to the operations of Landlord or Tenant in connection with this Lease or the Premises, or any combination thereof.

(b) To the extent permitted by law, Tenant waives its right to make a claim against Landlord for any direct physical loss or damage to property that would be covered by commercial property insurance written on the most recent editions of Insurance Services Office (ISO) Form CP 00 10 and CP 10 30 if Tenant had maintained such insurance.

(c) To the extent permitted by law, Landlord waives its right to make a claim against Tenant for any direct physical loss of or damage to property that is covered by an “all risk” or “special causes of loss” commercial property insurance policy (whether or not such insurance is actually maintained or claims are paid thereunder).

(d) To the extent permitted by law, both Landlord and Tenant waive their rights to make claims against the other for “business income” including “rental value” as such terms are defined in the most recent version of ISO Form CP 00 30 arising out of property damage or loss to the Premises.

(e) The provisions of this Section 9.20 only apply to the extent that the City of New York is the Tenant hereunder.

Section 9.21. Fire or Other Casualty. Notwithstanding any other provision to the contrary (except Section 9.10), this Lease shall continue in full force and effect and may not be surrendered, nor shall Basic Annual Rent be abated, in the event of fire or other casualty affecting any portion of the Premises. This Section 9.21 shall be “an express agreement to the contrary” for purposes of Section 227 of the Real Property Law.

Section 9.22. Operative Date. This Agreement shall not be effective and binding unless and until (i) the Closing Date, (ii) it has been fully executed and delivered by each of the parties hereto, and (iii) it has been duly registered with the Comptroller of the City of New York.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Lease as of the Effective Date.

**UNITED NATIONS DEVELOPMENT
CORPORATION**

By: _____
Name: Robert Cole
Title: Executive Vice President

Approved as to Form:

THE CITY OF NEW YORK

By: _____
Name:
Title: Acting Corporation Counsel

By: _____
Name: Shameka Overton
Title: Executive Deputy Commissioner
Department of Citywide Administrative
Services Asset & Property Management

Attachment 1

Backup Commencement Events include the following:

1. Shedding Rights Event
 - a. Non-Renewal Shedding Rights – upon 24 months’ notice:
 - i. right of UNDP in the One U.N. Plaza Lease to terminate anytime between the 5th and 8th anniversaries of the lease up to 2 contiguous floors
 - ii. right of UN in the Two U.N. Plaza Lease to terminate anytime between the 5th and 8th anniversaries of the lease up to 3 contiguous floors
 - b. Renewal Shedding Rights – applicable on the 15th and 20th anniversaries of the lease:
 - i. right of UNDP in the One U.N. Plaza Lease to renew at least 80% of its leased premises at the time of renewal
 - ii. right of UN in the Two U.N. Plaza Lease to renew at least 75% of its leased premises at the time of renewal
2. Non-Renewal Event – failure of UN and/or UNDP to renew on either the 15th or 20th anniversary of its lease
3. Termination Events
 - a. UN and UNDP have a termination right tied to a major casualty
 - b. UN and UNDP have a termination right tied to a material condemnation
 - c. Landlord/UNDC Termination Rights
 - i. Due to its unique legal status, Landlord’s remedies/rights following a default by the Lessees is going to be subject to the UNCITRAL dispute resolution process and tenant sovereign immunity protections
 - ii. Landlord has recapture rights in the event of a proposed assignment or sublease of the Premises.
4. Non-Expansion Event – a Lessee fails to timely exercise as to all available premises any option under its Lease to expand its Leased Premises, or fails to expand its Leased Premises to all available premises pursuant to any right of first offer under its Lease

Attachment 2

Rent

One United Nations Plaza – UNDP

Initial Space: 253,913 rentable square feet consisting of Floors 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24

Base Rent starting from the Commencement Date:

For One United Nations Plaza, the annual base rent shall be \$12,949,563 per annum from years 1 through 5, \$14,219,128 per annum from years 6 through 10, and \$15,488,693 per annum from years 11 through 15. Should Tenant exercise its renewal options, the annual base rent for the first option at One United Nations Plaza would be \$16,758,258 per annum and the second renewal option would be at the then Fair Market Value.

Two United Nations Plaza – UN

Initial Space: 425,190 rentable square feet consisting of Floors 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 (partial), 26, and former school space plus 10,180 square feet of basement space

Base Rent starting from the Commencement Date:

For Two United Nations Plaza, the annual base rent shall be \$21,944,280 per annum from years 1 through 5, \$24,095,680 per annum from years 6 through 10, and \$26,247,080 per annum from years 11 through 15. Should Tenant exercise its renewal options, the annual base rent for the first renewal option at Two United Nations Plaza would be \$28,398,480 per annum and the second renewal option would be at the then Fair Market Value.

Expansion Rent

The Tenant shall have a right to expand the Leased Premises at the corresponding rental rates then in effect at One United Nations Plaza and Two United Nations Plaza, respectively.

APPENDIX E

FORM OF CITY SUPPORT AGREEMENT

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SUPPORT AGREEMENT

by and between

THE CITY OF NEW YORK

and

UNITED NATIONS DEVELOPMENT CORPORATION

Dated as of March 14, 2025

This SUPPORT AGREEMENT (this “*Agreement*”), dated as of March 14, 2025 (“**Effective Date**”), by and between **THE CITY OF NEW YORK**, a municipal corporation of the State of New York (the “**City**”), and **UNITED NATIONS DEVELOPMENT CORPORATION**, a public benefit corporation of the State of New York (“**UNDC**”).

RECITALS

A. WHEREAS, the City, as landlord, and UNDC, as tenant, entered into that certain Lease, dated as of August 1, 1972 (the “**1972 Lease**”), for the building commonly known as One United Nations Plaza, New York, New York (the “**One United Nations Plaza Building**”);

B. WHEREAS, the City, as landlord, and UNDC, as tenant, entered into that certain Lease and Amendment, dated as of May 8, 1981 (the “**1981 Lease**”; together with the 1972 Lease, the “**Original Leases**”), for the building commonly known as Two United Nations Plaza (the “**Two United Nations Plaza Building**”; together with the One United Nations Plaza Building, collectively, the “**Buildings**”) and making certain amendments to the 1972 Lease;

C. WHEREAS, the City and UNDC have since modified the Original Leases by entering into the following amendments: (i) that certain Agreement Amending Lease Dated as of August 1, 1972 and Amending Lease and Amendment to Lease Dated as of May 8, 1981, dated as of March 31, 1994 (the “**First Amendment**”); (ii) that certain Second Amendment to Lease Dated as of August 1, 1972 and Amendment to Lease Dated as of May 8, 1981, dated as of February 3, 1995 (the “**Second Amendment**”); (iii) that certain Third Amendment to Lease Dated as of August 1, 1972 and Amendment to Lease Dated as of May 8, 1981, dated as of July 23, 1997 (the “**Third Amendment**”); (iv) that certain Fourth Amendment to Lease Dated as of August 1, 1972 and Amendment to Lease Dated as of May 8, 1981, dated as of July 5, 1998 (the “**Fourth Amendment**”); (iv) that certain Fifth Amendment to Lease Dated as of August 1, 1972 and Amendment to Lease Dated as of May 8, 1981, dated as of January 1, 2004 (the “**Fifth Amendment**”); and (iv) that Sixth Amendment to Lease Dated as of August 1, 1972 and Amendment to Lease Dated as of May 8, 1981, dated as of March 14, 2025 (the “**Sixth Amendment**”; together with the Original Leases, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and the Fifth Amendment, collectively, the “**Existing Leases**”); and

D. WHEREAS, UNDC desires to make certain renovations and improvements to the Buildings (the “**Improvements**”);

E. WHEREAS, pursuant to the Indenture of Trust (as the same may be further amended and supplemented, the “**Indenture**”), to be entered into by and between UNDC and The Bank of New York Mellon, as trustee (the “**Trustee**”), UNDC is issuing its 2025 Bonds, Series A (Federally Taxable) to finance the Improvements, leasing costs at the Buildings and other related expenses, and retire certain prior bonds of UNDC (the “**2025 Bonds**”; and together with any additional bonds issued by UNDC to complete the Improvements and any bonds issued by UNDC to refinance the 2025 Bonds from time-to-time, the “**Bonds**”);

F. WHEREAS, in connection with the issuance of the 2025 Bonds UNDC has established a liquidity reserve fund under the Indenture (the “**Liquidity Reserve Fund**”) to be

used for payment of deficiencies in amounts available to pay debt service on the 2025 Bonds due to the occurrence of a Support Event (as defined below);

G. WHEREAS, simultaneous with the execution of this Agreement, the City and UNDC have entered into a replacement backup lease pursuant to which the City has agreed to lease certain portions of the Buildings pursuant to the terms of said lease (the “**Backup Lease**);

H. WHEREAS, pursuant to Section 10 of the United Nations Development Corporation Act, being Chapter 345 of the Laws of 1968 of The State of New York, as amended (the “**UNDC Act**”), the City may provide financial assistance to UNDC and enter into agreements with UNDC to assist UNDC in carrying out and effectuating the purposes of the UNDC Act; and

I. WHEREAS, upon the occurrence of an event or circumstance that causes or is projected by UNDC to cause Revenues to be insufficient to make the transfers to the Debt Service Fund required by the Indenture (each, a “**Support Event**”), the City has agreed to provide financial assistance to UNDC in the form of support payments to cover any such insufficiency, including but not limited to reimbursements for withdrawals from the Liquidity Reserve Fund necessary to pay debt service on the Bonds pending receipt of amounts due under this Agreement from the City (the “**Support Payments**”);

J. WHEREAS, UNDC and the City acknowledge the importance of timely Support Payments to avoid adverse credit consequences to UNDC and the City, respectively; and

K. WHEREAS, the City and the UNDC wish to enter into this Agreement prior to the date of issuance of the 2025 Bonds (such date of issuance being the date the City’s obligations under this Agreement become effective (the “**Closing Date**”)) in order to set forth the terms and conditions pursuant to which the City will make said Support Payments.

NOW, THEREFORE, the City and UNDC agree as follows:

ARTICLE 1

DEFINITIONS AND GENERAL PROVISIONS

Section 1.1 All capitalized terms used herein and not otherwise defined herein shall: (i) when used in connection with the Existing Leases have the same respective meanings as such terms are given in the Existing Leases; and (ii) when used in connection with the Indenture have the respective meanings as such terms are given in the Indenture.

ARTICLE 2

SUPPORT FROM THE CITY

Section 2.1 Flow of Funds for Debt Service for the 2025 Bonds.

(a) The Indenture provides that all Revenues shall be collected by or on behalf of UNDC and deposited on the date of receipt thereof, as far as practicable, with the Depositary

designated in writing by the Chief Executive Officer of UNDC as authorized to accept deposits of Revenues, to be held in the Trustee's name. In accordance with the Indenture, the Trustee shall apply, not less frequently than monthly, the Revenues on deposit in the Revenue Fund first to the Debt Service Fund in the amounts provided in the Indenture to provide for the payment of debt service on the 2025 Bonds, as the same shall become due and payable. Following such deposit to the Debt Service Fund, the Trustee shall use the remaining Revenues to next deposit such remaining available Revenues into the Funds and Accounts in the order of priority and in the amounts provided in the Indenture.

(b) In addition, on the date of issuance of the 2025 Bonds UNDC is causing the deposit of monies into the Liquidity Reserve Fund in an amount equal to the Liquidity Reserve Requirement (as defined in the Indenture) with respect to the 2025 Bonds, which monies have been pledged to the Trustee for the payment of debt service on the 2025 Bonds due to the occurrence of a Support Event.

Section 2.2 Obligation and Timing of Support Payments

(a) As of the Closing Date, in the event UNDC projects that at any time within the next 18 months following the occurrence of a Support Event Revenues will be insufficient to provide for deposit to the Debt Service Fund the full amounts required under the Indenture, taking into consideration amounts payable under the Backup Lease for which timely appropriations by the City have been made or are anticipated to be made, then UNDC will, in no event more than five business days after making such projection, notify the City of the same (a "**Deficiency Notice**") and request the Mayor to seek an appropriation from the City Council in an amount equal to the Support Payments projected to be required in the aggregate to (i) cover any such insufficiency by means of direct transfer to the Trustee for deposit into the Debt Service Fund, and (ii) to the extent not previously provided for by the City, replenish the Liquidity Reserve Fund for the total of all monies, if any, drawn or expected to be drawn from the Liquidity Reserve Fund for transfers to the Debt Service Fund to the date such City appropriation is projected to be paid to UNDC, in each case in accordance with Section 2.2(d).

(b) In the event the Deficiency Notice is delivered to the City on or before December 15 of any fiscal year, the Mayor shall seek an appropriation for the City's fiscal year beginning on the immediately following July 1 for an amount sufficient to make Support Payments in the amount required under Section 2.2(a) up to and including the immediately following August 1.

(c) In the event that the Deficiency Notice is delivered to the City after December 15 in any fiscal year, the Mayor shall seek an appropriation for the City's fiscal year beginning no later than the second July 1 thereafter for an amount sufficient to make Support Payments in the amount required under Section 2.2(a) up to and including the August 1 after such date of appropriation.

(d) Promptly following the appropriation of funds therefor, Support Payments shall be made directly to the Trustee for deposit to (i) the Debt Service Fund to cure any deficiency therein, and (ii) to the Liquidity Reserve Fund to reimburse any required transfer of monies

from the Liquidity Reserve Fund to the Debt Service Fund not previously reimbursed by the City. Until the City has been notified by the UNDC that the Support Event is no longer occurring, UNDC shall, not later than fifteen days prior each Interest Payment Date or Principal Installment Date, cause the Trustee to send a final payment notice (“**Payment Notice**”) to the City setting forth the amount by which the Debt Service Requirement on such date exceeds the amount available for the payment thereof, which Payment Notice may from time to time be amended by UNDC. The City shall, not later than the four Business Days immediately preceding an Interest Payment Date or Principal Installment Date, pay the Support Payment equal to the amount set forth in the Payment Notice.

(e) Notwithstanding anything in this Section 2.2 to the contrary, Support Payments may be funded at the City’s option from the City Backup Lease Rental Reserve Fund established under the 1981 Lease or from Additional Rent payable by UNDC to the City under the 1981 Lease.

Section 2.3 No Set-offs; City Rights. The obligation of the City to pay the amounts under this Agreement shall be payable without any rights of setoff, recoupment or counterclaim it might have against UNDC, the Lessees or any other person. If the City shall have paid all amounts required hereby and continues to pay the same when due, the City shall not be precluded from bringing any action it may otherwise have against UNDC or the Lessees arising out of the failure of either of them to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation of either of them arising out of or in connection with this Agreement. The Support Payments are intended to be, and shall be, independent of the payment by the City of Basic Annual Rent under the Backup Lease.

Section 2.4 Term of City’s Support Obligation. The City acknowledges that in issuing its 2025 Bonds UNDC is relying on the City to make timely Support Payments as provided in Section 2.2 and that the City’s obligations under this Agreement (i) shall continue until the Bonds have been fully and indefeasibly paid, and (ii) are irrevocable and unconditional notwithstanding any fact of circumstance, including, without limiting the generality of the foregoing, any facts or circumstances that may constitute a failure of consideration or frustration of purpose, and without regard to any default by UNDC or the Lessees, or the failure of UNDC or the Lessees to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation of either of them arising out of or in connection with this Agreement.

Section 2.5 City’s Obligation Subject to Appropriation. Notwithstanding anything in this Agreement to the contrary, all obligations of the City to make Support Payments as provided for hereunder shall be subject to and dependent upon appropriations being made from time to time by the City for such purpose.

Section 2.6 Extent of City’s Obligation. Notwithstanding anything herein to the contrary, (a) the obligation of the City to pay the amounts herein provided for shall not constitute a debt of the City within the meaning of any constitutional or statutory provision, (b) the obligation of the City to pay the amounts herein provided for shall be deemed executory only to the extent of monies appropriated and available to the City, and (c) no liability shall

be incurred by the City under this Agreement beyond monies appropriated and available to the City for such purpose.

Section 2.7 Catch-up. The City agrees that the expense budget submitted by the Mayor to the City Council for each City fiscal year (a “**Fiscal Year**”) during which any Bonds are outstanding shall include, either as a separate unit of appropriation or as an expenditure within a unit of appropriation, the amounts projected to be payable hereunder during such Fiscal Year, but in no event in an amount less than the amount that shall be or is anticipated to become due and payable with respect to this Agreement; provided, however, that if said amounts are included within a unit of appropriation out of which payments other than said amounts may be paid, the amount set forth in said expense budget for such unit of appropriation shall not be less than the amount of all payments, including said amounts, payable from such unit of appropriation. If at any time during a Fiscal Year the appropriation enacted for such Fiscal Year is no longer sufficient in amount to pay the amounts required hereunder during the balance of such Fiscal Year, the Mayor shall take all action required to seek an appropriation in the following Fiscal Year so that such appropriation shall be sufficient to pay any amounts payable under this Agreement for such Fiscal Year and the payment of any deficient amount from the prior Fiscal Year.

Section 2.9 No Excess Payments. Notwithstanding anything to the contrary in this Agreement or any other Document, in no event shall the City be obligated to seek an appropriation or make any Support Payment under this Agreement, if and to the extent that such payment would cause the aggregate amount paid under this Agreement to exceed the amount needed to cover the sum of (i) any Debt Service deficiency, taking into consideration any amounts paid or appropriated and payable under or pursuant to the Backup Lease, and (ii) reimbursement of Liquidity Reserve Fund draws.

Section 2.10 Assignment of Support Payments. It is understood that all Support Payments made hereunder and not deposited directly to the Debt Service Fund are to be pledged and assigned by UNDC to the payment of outstanding Bonds. The City consents to such assignment.

ARTICLE 3

MISCELLANEOUS

Section 3.1 Authorization. This Agreement is being entered into as authorized by Section 10 of the UNDC Act.

Section 3.2 Severability. In the event any one or more of the covenants, stipulations, promises, obligations and agreements herein should be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, obligation or obligations, or agreement or agreements shall be null and void, shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, obligations and agreements herein contained and shall in no way affect the validity or enforceability of the other provisions hereof.

Section 3.3 *Amendments, Changes and Modifications.* This Agreement may be amended, changed or modified in any respect, provided that (i) each amendment, change or modification is in writing executed and delivered by the Parties and consented to by the Trustee (other than technical, administrative or minor amendments, modifications or revisions that would not adversely affect Owners, in which case the Trustee's consent shall not be required), and (ii) no such amendment, change or modification shall adversely affect the timing or amount of the City's obligation to make Support Payments.

Section 3.4 *Disclaimer of Personal Liability.* No recourse shall be had for any covenants and provisions hereof or for any claims based thereon against or liability incurred by any member or director of UNDC or any member, director, officer or employee of the City, or any person executing this Agreement.

Section 3.5 *Counterparts.* This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 3.6 *Headings.* The headings preceding the text of the several Articles and Sections hereof and the exhibits appended hereto and any table of contents appended hereto or to copies hereof shall be solely for convenience of reference and shall not constitute a part hereof nor shall they affect its meaning, construction or effect.

Section 3.7 *Notices.* Any notices or other instruments required to be given or delivered pursuant hereto shall be in writing and shall be delivered in accordance with Article 8 of the City Backup Lease, or, in each case, to such other individuals and at such other address as the person to be notified shall have specified by notice to the other persons.

Section 3.8 *Governing Laws.* This Agreement shall be governed and construed in accordance with the laws of the State of New York.

Section 3.9 *Third Party Beneficiary.* The Trustee, and any successor trustee on behalf of the holders of any Bonds, are intended as and shall be third party beneficiaries of this Agreement.

Section 3.10 *Operative Date.* This Agreement shall not be effective and binding unless and until (i) the Closing Date, (ii) it has been fully executed and delivered by each of the parties hereto, and (iii) it has been duly registered with the Comptroller of the City of New York.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the Effective Date.

UNITED NATIONS DEVELOPMENT
CORPORATION

By: _____
Name: Robert Cole
Title: Executive Vice President

THE CITY OF NEW YORK

By: _____
Name: _____
Title: _____

Approved as to Form and Certified
as to Legal Authority:

ACTING CORPORATION COUNSEL

By: _____
Name: _____
Title: _____

[Signature Page to Support Agreement]

STATE OF NEW YORK)
 : SS.:
COUNTY OF)

On _____, 2025, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

[Notary Page to Support Agreement (City)]

STATE OF NEW YORK)
 : SS.:
COUNTY OF)

On _____, 2025, before me, the undersigned, personally appeared Robert Cole personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

[Notary Page to Support Agreement (UNDC)]

APPENDIX F

SUMMARIES OF CERTAIN PROVISIONS OF THE AGREEMENTS AND INSURANCE COVERAGE

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THE ONE UN PLAZA/THREE UN PLAZA CITY LEASE

The following is a summary of certain provisions of the lease to the Corporation from the City dated as of August 1, 1972, as amended by the Two UN Plaza City Lease and further amended by agreements dated as of March 31, 1994, February 3, 1995, July 23, 1997, July 15, 1998, January 1, 2004 and March 14, 2025 (as so amended, the “One UN Plaza/Three UN Plaza City Lease”), with respect to the properties referred to in this APPENDIX F as One UN Plaza and Three UN Plaza. Reference is made to the One UN Plaza/Three UN Plaza City Lease for a complete recital of the terms thereof.

Term

The term of the One UN Plaza/Three UN Plaza City Lease commenced on December 19, 1972, when the City acquired title to the site of One UN Plaza. The term of the One UN Plaza/Three UN Plaza City Lease will continue until payment in full of all obligations of the Corporation in connection with the UNDC Properties (consisting of One UN Plaza, Two UN Plaza and Three UN Plaza), but not later than December 18, 2071. Under the One UN Plaza/Three UN Plaza City Lease, the City has title to the buildings erected by the Corporation on the land leased from the City as part of One UN Plaza and Three UN Plaza.

The City may terminate the One UN Plaza/Three UN Plaza City Lease at any time if it purchases the Corporation’s leasehold interest for an amount sufficient, with other funds available to the Corporation, to pay or redeem the Bonds issued by the Corporation, and to pay other obligations of the Corporation, in connection with the UNDC Properties.

Rent

No rent is payable under the One UN Plaza/Three UN Plaza City Lease. However, pursuant to the Two UN Plaza City Lease, the Corporation pays Net Annual Rent to the City with respect to One UN Plaza equal to the product of the tax rate then applicable to real estate in the Borough of Manhattan multiplied by the portion of the assessed value of One UN Plaza which bears the same ratio to the total assessed value of One UN Plaza as cubic feet of space not leased to the UN, organizations and agencies thereof and missions to the UN bears to the total cubic feet of space in One UN Plaza. In addition, the Corporation pays the City Net Annual Rent of \$481,000 with respect to Three UN Plaza. The hotel portions and an accompanying percentage interest in the common elements of One UN Plaza were severed from the One UN Plaza/Three UN Plaza City Lease and sold on July 23, 1997, and the Corporation does not pay rent with respect thereto.

Net Annual Rent to the City is payable quarterly and Net Annual Rent and any additional rent is payable only from revenues of the UNDC Properties remaining after payment of normal and reasonable operating expenses and other obligations, including debt service on the Bonds; provided that if in any year the net revenues are insufficient to fully pay the City Net Annual Rent, the amount of any Net Annual Rent not paid is added to the Net Annual Rent for the succeeding year.

Net Lease

The rent to be paid to the City is a net payment. During the term of the One UN Plaza/Three UN Plaza City Lease, the City is not required to expend any money, incur any liability, do any acts or take any steps affecting or with respect to the development, construction, maintenance, preservation, repair or operation of One UN Plaza or Three UN Plaza, or any part thereof, all of which is the responsibility of the Corporation.

Repairs and Liens

The Corporation, at its sole cost and expense, is required to keep and maintain One UN Plaza and Three UN Plaza in good state of repair, acts of God excepted, and may not permit, commit or suffer any waste of the whole or any part of One UN Plaza or Three UN Plaza. The Corporation is also required to keep One UN Plaza and Three UN Plaza free and clear of all liens and encumbrances except for liens permitted by the One UN Plaza/Three UN Plaza City Lease.

Assignment and Subletting

The One UN Plaza/Three UN Plaza City Lease permits the Corporation to assign such lease and the leasehold estate created thereby to secure payment of the Bonds issued by the Corporation in connection with One UN Plaza or Three UN Plaza. Assignments to secure the payment of other obligations of the Corporation require the consent of the Mayor of the City.

Subleases by the Corporation do not require the consent of the City. Each sublease is required to contain provisions to the effect that it is subject to all the terms and conditions of the One UN Plaza/Three UN Plaza City Lease, that it shall expire no later than the date of the final scheduled maturity of the Corporation's Bonds allocable to One UN Plaza and Three UN Plaza and that if the One UN Plaza/Three UN Plaza City Lease is terminated prior to such final maturity, the subtenant will recognize the City as its landlord. The City agrees that upon any such termination of the One UN Plaza/Three UN Plaza City Lease, it will recognize the tenancy of any subtenant that is in compliance with its sublease and the One UN Plaza/Three UN Plaza City Lease.

Condemnation

Notwithstanding any taking of or damage to One UN Plaza or Three UN Plaza or any portion thereof, in or by reason of condemnation proceedings or any right of eminent domain, the One UN Plaza/Three UN Plaza City Lease shall remain in effect until the payment in full of the Bonds allocable to One UN Plaza and Three UN Plaza. The award for any such taking or damage is required to be applied as follows:

a. If One UN Plaza or Three UN Plaza or any portion thereof can be repaired, restored or replaced after such damage or taking in accordance with the Act and the Corporation's Development Plan for such Properties as approved by the City, and in such manner and to such extent that revenues from One UN Plaza and Three UN Plaza will be substantially equivalent to the revenues which would have been realized if such taking or damage had not occurred, then the condemnation proceeds and any other moneys of the Corporation available therefor shall be used to repair, restore or replace One UN Plaza or Three UN Plaza or such portion thereof after such damage or taking. Any excess shall be paid to the Corporation for application in accordance with the Indenture.

b. If the condemnation proceeds and certain other available moneys of the Corporation are insufficient to so repair One UN Plaza or Three UN Plaza, then so much as is required of the condemnation proceeds and of such other moneys of the Corporation available therefor shall be used to pay in full the Bonds allocable to One UN Plaza and Three UN Plaza. Any excess condemnation proceeds remaining after such payment in full are to be paid to the City.

Defaults

If (i) the Corporation defaults in the payment of rent to the City and such default continues for thirty days after written notice, or (ii) the Corporation fails to perform any other provisions of the One UN Plaza/Three UN Plaza City Lease, or fails to take such action as may reasonably be required by the City to enforce the terms of any sublease and such failure continues beyond the time periods for remedying the same as specified in the One UN Plaza/Three UN Plaza City Lease, or (iii) the Bonds allocable to One UN Plaza or Three UN Plaza have been declared due and payable because of default by the Corporation, the City may terminate the One UN Plaza/Three UN Plaza City Lease and the Corporation shall be required to surrender One UN Plaza and Three UN Plaza; provided that, in order so to terminate the lease, the City must purchase the Corporation's leasehold interest in the UNDC Properties by paying to the Corporation an amount, which with all other funds available to the Corporation therefor, will be sufficient to pay or redeem the Bonds, and to pay other obligations of the Corporation, in connection with the UNDC Properties. (The City has similar rights in the absence of a default by the Corporation. See "THE ONE UN PLAZA/THREE UN PLAZA CITY LEASE — TERM" in this APPENDIX F.)

Agreement of the City

The City pledges to and agrees with the holders of the Bonds allocable to One UN Plaza and Three UN Plaza that except as otherwise specifically provided in the One UN Plaza/Three UN Plaza City Lease, the City will not alter or limit the rights thereby vested in the Corporation or in any way impair the rights and remedies of the holders of the Bonds allocable to One UN Plaza and Three UN Plaza. As authorized by the One UN Plaza/Three UN Plaza City Lease, such agreement of the City is included in the Indenture.

TWO UN PLAZA GROUND LEASE

The following is a summary of certain provisions of the Two UN Plaza Ground Lease from Bishop Trading Company, a New York general partnership (the “landlord”), to the Corporation as tenant, and of certain provisions of the Option to Purchase from the landlord to the Corporation, to which reference is made for a complete recital of the terms thereof.

Term

The term of the Two UN Plaza Ground Lease commenced on August 1, 1980 and will expire July 31, 2079, subject to prior termination as provided in the Two UN Plaza Ground Lease.

Rent

The Corporation is obligated to pay to the landlord with respect to the leased premises a fixed net rent of \$250,000 per annum, subject to increases beginning August 1, 2025 (after the forty-fifth year of the term) and every fifth year thereafter calculated based on one-half of the increase in the Consumer Price Index issued by the Bureau of Labor Statistics over the Index as of February 1, 2014. Such rent is not subordinate to the debt service on the 2025 Bonds.

Net Lease

The Two UN Plaza Ground Lease is a net lease under which the Corporation is obligated to pay rent to the landlord without the landlord being required to pay any charges, taxes, assessments, fees, impositions, expenses or deductions of any kind with respect to the leased premises.

Leasehold Mortgages

In connection with the financing of the Two UN Plaza, but not otherwise, the Corporation may mortgage its leasehold estate under the Two UN Plaza Ground Lease and assign the Two UN Plaza Ground Lease and its rights to rent and fees under subleases to the holder of any such mortgage; provided, however, that the holder of the first leasehold mortgage must be an Institutional Lender as defined in the Two UN Plaza Ground Lease. “Institutional Lender” as so defined includes banks, trust companies, insurance companies, governmental authorities and the Trustee. Under the Two UN Plaza Ground Lease, the Trustee is permitted to exercise the rights and perform the responsibilities of the holder of the first leasehold mortgage, whether or not the Corporation has executed and delivered a leasehold mortgage.

The Two UN Plaza Ground Lease provides that the landlord will serve upon the leasehold mortgagee a copy of all notices given to the Corporation and that the leasehold mortgagee will have the right, for a period of 25 days more than is given to the Corporation, to remedy defaults under the Two UN Plaza Ground Lease. In case of a default by the Corporation, other than a default which may be cured by the payment of money, the landlord may not terminate the Two UN Plaza Ground Lease without first giving the leasehold mortgagee a reasonable time within which either to obtain possession of the leased premises or to complete foreclosure proceedings or otherwise acquire the tenant’s leasehold estate under the Two UN Plaza Ground Lease and thereafter to cure the default. If for any reason the Two UN Plaza Ground Lease terminates prior to the expiration of its term, the landlord will enter into a new lease with the leasehold mortgagee or its designee for the remainder of the term upon the same terms and conditions (including rent), provided that the leasehold mortgagee pays all unpaid sums due and cures all defaults as provided under the Two UN Plaza Ground Lease.

Insurance; Damage and Destruction

The Corporation is required, at its expense, to maintain insurance as described in the Two UN Plaza Ground Lease, including liability insurance and insurance covering buildings and any other improvements on the leased premises against loss or damage by fire and other risks customarily insured against in an amount sufficient to prevent the Corporation from becoming a co-insurer, but in any event not less than 80 percent of replacement cost (exclusive of depreciation and foundation and other foundation related costs). All insurance policies are required to name the Corporation, the landlord, and any fee and leasehold mortgagee, as insureds, as their interests may appear. If any building, equipment or improvement on the leased premises is damaged or destroyed by fire or any other cause, the Corporation is required, at its expense, to restore the same as nearly as practicable to its condition and character immediately prior to such damage or destruction, whether or not the proceeds of insurance as a result of such loss or damage are sufficient to cover the cost thereof. There will be no abatement of rent nor any diminution of the Corporation's obligations by reason of any damage or destruction except as provided by the Two UN Plaza Ground Lease with respect to damage or destruction during the last 10 years of the lease term.

Repairs and Liens

The Corporation is obligated, at its expense, to keep and maintain the leased premises in good condition and to make all necessary repairs thereto.

The Corporation shall pay all real estate taxes, and other impositions arising from its use of the leased premises. The Corporation is required to indemnify the landlord against any mechanics liens filed against the leased premises or any buildings and improvements erected thereon.

Subletting

Each sublease is required to contain self-executing provisions to the effect that it is subordinate and subject to all the terms and conditions of the Two UN Plaza Ground Lease. The landlord is required to deliver nondisturbance agreements, upon the request of the Corporation, to any subtenants who have received such agreements from the leasehold mortgagee.

Condemnation

In the event of a total taking or a constructive total taking of the fee title to the leased premises by condemnation or eminent domain proceedings, the Two UN Plaza Ground Lease will terminate on the date title vests pursuant to such proceedings and the award will be apportioned among the landlord, the leasehold mortgagee and the Corporation as provided in the Two UN Plaza Ground Lease, with the landlord first receiving an amount equal to the fair market value of the leased premises, considered as vacant, unimproved and subject to the Two UN Plaza Ground Lease, but no less than the amount due the holder of the first mortgage on the fee interest of the landlord.

In the event of a partial taking of the leased premises, the Two UN Plaza Ground Lease will continue in effect and the award will be apportioned among the landlord, the leasehold mortgagee and the Corporation as provided in the Two UN Plaza Ground Lease, with the landlord first receiving an amount equal to the value of the part of the leased premises taken plus any consequential damage to the part of the leased premises not taken, but not more than certain amounts due the holder of the first mortgage on the fee interest of the landlord.

Default

If the Corporation fails to pay any rent when due and such default continues for 15 days after written notice or fails to perform any other provision of the Two UN Plaza Ground Lease and such default continues beyond the time periods for remedying the same as specified in the Two UN Plaza Ground Lease, or upon certain other events, such as the filing of a bankruptcy or insolvency petition, the landlord may terminate the Two UN Plaza Ground Lease and require the Corporation to surrender the leased premises to the landlord. As described above, the leasehold mortgagee may cure defaults under the Two UN Plaza Ground Lease and is entitled to certain rights upon default by the Corporation.

Option to Purchase

The Option to Purchase provides that the Corporation, by notice given to the landlord no sooner than August 1, 2020 and no later than July 31, 2025, may exercise the Corporation's right to purchase the fee interest of the landlord retained under the Two UN Plaza Ground Lease. The price to be paid by the Corporation is equal to the fair market value of the fee interest as determined by appraisers as provided in the Option to Purchase. The Corporation is entitled to credit against the purchase price equal to \$1,250,000, the principal amount of the Corporation's prior lien bond issued to the principals of the landlord pursuant to a resolution of the Corporation adopted July 10, 1980.

TWO UN PLAZA CITY LEASE

The following is a summary of certain provisions of the Lease, dated as of May 8, 1981, from the City to the Corporation with respect to Two UN Plaza, as amended by agreements dated as of March 31, 1994, February 3, 1995, July 23, 1997, July 15, 1998, January 1, 2004 and March 14, 2025 (as so amended, the "Two UN Plaza City Lease"). Reference is made to the Two UN Plaza City Lease for a complete recital of the terms thereof.

Term

The term of the Two UN Plaza City Lease commenced on May 8, 1981, when the City acquired title to the Two UN Plaza building. The term of the Two UN Plaza City Lease will continue until payment in full of all obligations of the Corporation in connection with the UNDC Properties, but not later than May 7, 2080 (the "Expiration Date"). Upon payment of the Bonds of the Corporation issued in connection with the UNDC Properties, the Two UN Plaza City Lease will terminate.

The City may terminate the Two UN Plaza City Lease at any time if it purchases the Corporation's leasehold interest for an amount sufficient, with other funds available to the Corporation, to pay in full the Bonds issued by the Corporation in connection with the UNDC Properties. In addition, the Two UN Plaza City Lease will terminate in the event of the termination of the Two UN Plaza Ground Lease before the Expiration Date. If the Two UN Plaza City Lease terminates before the Expiration Date, the liabilities and responsibilities of the Corporation and the City under the Two UN Plaza City Lease will cease on the date of termination. (After any such termination, it is probable that all portions of the Two UN Plaza will be subject to payment of real estate taxes to the City, regardless of occupancy of any portion of the Two UN Plaza by the UN or missions to the UN. The amount of real estate taxes payable to the City on all portions of the Two UN Plaza is likely to be substantially greater than the rent payable to the City under the Two UN Plaza City Lease if the UN and missions to the UN rent a significant part of the office space in the Two UN Plaza. The payment to the City of real estate taxes, unlike the payment of rent under the Two UN Plaza City Lease, would not be subordinate to the payment of debt service on the Bonds.)

Rent

The Corporation is obligated to pay rent to the City under the Two UN Plaza City Lease comprised of Base Rent and Additional Rent specified in the Two UN Plaza City Lease, and Net Annual Rent specified in the One UN Plaza/Three UN Plaza City Lease. The “Base Rent” equals the product of the tax rate then applicable to real estate in the Borough of Manhattan multiplied by the portion of the assessed value of the Two UN Plaza which bears the same ratio to the total assessed value of the Two UN Plaza as cubic feet of Base Rent Space bears to the total cubic feet of space in the Two UN Plaza. “Base Rent Space” is defined in the Two UN Plaza City Lease to include the hotel portion of the Two UN Plaza and any office space not leased to the UN or missions to the UN or used as community space. The Additional Rent is payable only from funds available to the Corporation after providing for operating and other expenses and the establishment of reasonable reserves.

The Two UN Plaza City Lease amends the One UN Plaza/Three UN Plaza City Lease so that the Net Annual Rent previously payable under the One UN Plaza/Three UN Plaza City Lease is no longer payable thereunder and is payable instead under the Two UN Plaza City Lease in the amounts, on the dates and in the manner specified in the One UN Plaza/Three UN Plaza City Lease.

Subordination

The Two UN Plaza City Lease provides that Base Rent, Additional Rent and Net Annual Rent are payable only from revenues of the UNDC Properties remaining after payment of normal and reasonable operating expenses and other obligations, including debt service on the Bonds, provided that if in any year such revenues are insufficient to fully pay Base Rent and Net Annual Rent, the amount of such rent not paid shall be added to such rent for the succeeding year.

The Corporation covenants that, to the extent feasible, it will fix, charge, and collect rents, rates, fees and charges for the use and occupancy of, and for the services furnished by, the UNDC Properties in amounts that will produce revenues from the UNDC Properties sufficient to pay operating expenses, Base Rent, Net Annual Rent and all of its other obligations under any document relating to outstanding debt incurred by the Corporation.

Net Lease

The rent to be paid to the City is a net payment. During the term of the Two UN Plaza City Lease, the City is not required to expend any money, incur any liability, do any acts or take any steps affecting or with respect to the development, construction, maintenance, preservation, repair or operation of the Two UN Plaza or any part thereof, all of which is the responsibility of the Corporation.

Repairs and Liens

The Corporation, at its sole cost and expense, is required to keep and maintain Two UN Plaza in good state of repair, acts of God excepted, and may not permit, commit or suffer any waste of the whole or any part of Two UN Plaza. The Corporation is also required to keep Two UN Plaza free and clear of all liens and encumbrances except liens permitted by the Two UN Plaza City Lease.

Assignment and Subletting

The Two UN Plaza City Lease permits the Corporation to assign such lease and the leasehold estate created thereby to secure payment of the Bonds issued by the Corporation in connection with the

UNDC Properties. Assignments to secure the payment of other obligations of the Corporation require the consent of the Mayor of the City.

Subleases by the Corporation do not require the consent of the City. Each sublease is required to contain provisions to the effect that it is subject to all the terms and conditions of the Two UN Plaza City Lease, that it shall expire no later than the date of the final scheduled maturity of the Bonds issued by the Corporation in connection with the UNDC Properties, and that if the Two UN Plaza City Lease is terminated prior to such final maturity the subtenant will recognize the City as its landlord. The City agrees that upon any such termination of the Two UN Plaza City Lease, it will recognize the tenancy of any subtenant that is in compliance with its sublease and the Two UN Plaza City Lease.

Condemnation

In the event of any taking of the Two UN Plaza or any portion thereof, in or by reason of condemnation proceedings or any right of eminent domain, the Two UN Plaza City Lease shall remain in effect. The Corporation and the representative of the holders of its Bonds are entitled to file a claim in any such condemnation or similar proceeding. The award for any such taking or damage will be applied as provided in the Two UN Plaza Ground Lease and the Indenture.

Defaults

If (i) the Corporation defaults in the payment of rent required by the Two UN Plaza City Lease and such default continues for ten days after written notice, or (ii) the Corporation fails to perform any other provision of the Two UN Plaza City Lease, or fails to take such action as may reasonably be required by the City to enforce the terms of any sublease and such failure continues beyond the time periods for remedying the same as specified in the Two UN Plaza City Lease, or (iii) the Bonds have been declared due and payable because of a default by the Corporation, the City may terminate the Two UN Plaza City Lease and the Corporation is required to surrender Two UN Plaza; provided that the City purchases the Corporation's leasehold interest in Two UN Plaza by paying to the Corporation an amount, which with all other funds available to the Corporation therefor, will be sufficient to pay or redeem the Bonds, and to pay other obligations of the Corporation, in connection with the UNDC Properties. The City has similar rights in the absence of a default by the Corporation. See "TWO UN PLAZA CITY LEASE — TERM" in this APPENDIX F.

Agreement of the City

The City pledges to and agrees with the holders of the Bonds that, except as otherwise specifically provided in the Two UN Plaza City Lease, the City will not alter or limit the rights thereby vested in the Corporation or in any way impair the rights and remedies of the holders of the Bonds. As authorized by the Two UN Plaza City Lease, such agreement of the City is included in the Indenture.

THREE UN PLAZA UNICEF LEASE

The following is a summary of certain provisions of the Three UN Plaza UNICEF Lease, dated as of August 13, 1984, between the Corporation, as lessor, and UNICEF, as lessee, as amended, to which reference is made for a complete recital of the terms thereof.

Term

The term of the Three UN Plaza UNICEF Lease commenced on July 3, 1987 for 180,491 square feet of office space and currently expires on July 2, 2026. As of the stated expiration date, the City will transfer ownership of Three UN Plaza to UNICEF or the UN, if certain “Transfer Conditions” are met as set forth in the Three UN Plaza UNICEF Lease and the Transfer Agreement executed and delivered in February 1995 by and among the City, the New York City Economic Development Corporation, the Corporation and UNICEF.

Additional Leased Space

On April 30, 2008, UNICEF exercised its option under the Three UN Plaza UNICEF Lease to lease for its office use an additional 24,886 square feet of space located primarily on the 14th and 15th floors of Three UN Plaza that was previously used for residential apartments. The Corporation managed the conversion of this space from residential to office use at UNICEF’s expense. UNICEF occupied the additional office space in mid-2010, and effective October 1, 2009, the additional 24,886 square feet of space was added to the office space previously leased under the Three UN Plaza UNICEF Lease for a term expiring on July 2, 2026.

UNICEF leased an additional 1,400 square feet of space in the basement of Three UN Plaza from the Corporation under a February 1, 2000 amendment to the Three UN Plaza UNICEF Lease, which is currently leased on a month-to-month basis. UNICEF also leased from the Corporation under a May 4, 2005 amendment to the Three UN Plaza UNICEF Lease an additional 8,800 square feet of below-grade storage space in Three UN Plaza, formerly used as a parking garage, with a term expiring on July 2, 2026.

Rent

UNICEF is required to pay base rent at an annual rate equal to \$6,562,766 (\$32.50 per square foot for 180,491 square feet and \$28 per square foot for 24,886 square feet) for the balance of the term of the Three UN Plaza UNICEF Lease.

UNICEF pays additional rent equal to operating expenses and charges for electrical consumption allocable to the demised premises.

UNICEF also pays annual base rent of \$16.25 per square foot for its 1,400 square feet of basement space and its 8,800 square feet of storage space, and operating expense escalations equal to one half the rate applicable to the office space referred to above.

Damage or Destruction

If the demised premises are damaged by fire or other casualty, the rent due from UNICEF will be apportioned according to the part of the premises which is usable. If all the demised premises are destroyed, the obligation to pay rent will cease from the date of the casualty until the date of repair unless UNICEF elects to terminate the lease. If the Corporation receives insurance proceeds from such casualty and uses them for purposes other than to restore the building, the Corporation may terminate the lease upon notice to UNICEF within ninety days of such casualty.

Repairs

The Corporation is required to maintain and repair the public portions of the building not included in the demised premises. UNICEF is required to maintain the demised premises and make non-structural repairs thereto as and when needed to preserve them in good working order and condition.

Subleases and Assignments

UNICEF may, without the prior consent of the Corporation, sublease all or part of the demised premises or assign the Three UN Plaza UNICEF Lease to any mission to the UN and certain tax-exempt organizations which participate in UN-related programs and activities, on the condition that any such assignee assumes the obligations of UNICEF under the Three UN Plaza UNICEF Lease. In addition, any such tax-exempt organization must agree to pay to the Corporation any increase in rent to be paid to the City plus any real estate taxes levied because of occupancy by the organization. UNICEF may also sublet, or assign the Three UN Plaza UNICEF Lease with respect to, up to one whole floor of the office space above the ground, without the consent of the Corporation, to an entity that will not jeopardize the tax-exempt status of the Corporation's borrowings and will agree to pay any increases in rent to be paid to the City plus any real estate taxes levied because of its occupancy and in the case of an assignment, will assume the obligations of UNICEF under the Three UN Plaza UNICEF Lease. UNICEF may not otherwise sublease or assign its interest without the prior consent of the Corporation. Upon notice to the Corporation of UNICEF's intention to sublet all or any part of the demised premises or assign all or part of the Three UN Plaza UNICEF Lease as provided in the Three UN Plaza UNICEF Lease, the Corporation may terminate the Three UN Plaza UNICEF Lease with respect to the space affected by the proposed assignment or sublease.

Condemnation

In the event that the demised premises are condemned by eminent domain, the Three UN Plaza UNICEF Lease will terminate as of the date of such condemnation.

If the demised premises are rendered inadequate for UNICEF's activities by a temporary or partial condemnation, UNICEF may terminate the Three UN Plaza UNICEF Lease upon notice within thirty days of such condemnation. If more than half of the UNDC Properties is condemned so that the remaining portion is inadequate for the purposes of the Corporation, the Corporation may terminate the Three UN Plaza UNICEF Lease upon notice within thirty days of such condemnation.

Default

If UNICEF violates any of the covenants contained in the Three UN Plaza UNICEF Lease, if the demised premises are damaged by the negligence of UNICEF, if the demised premises become vacant or deserted, or become the subject of an attachment against UNICEF, or if UNICEF defaults with respect to any other lease between the Corporation and UNICEF, and UNICEF fails to cure any such default within the time periods specified in the Three UN Plaza UNICEF Lease, then the Corporation may serve notice of cancellation and the Three UN Plaza UNICEF Lease will expire thirty days thereafter.

ONE UN PLAZA CONDOMINIUM DECLARATION

The following is a summary of certain provisions of the One UN Plaza Condominium Declaration, dated as of June 5, 1997, as amended as of July 21, 1998 ("Condominium Declaration") by the City, to which reference is made for a complete recital of the terms thereof. Certain of the defined terms used in this summary are defined in the Condominium Declaration.

Declaration

The City, as the fee owner of One UN Plaza, filed a Condominium Declaration creating a condominium regime under New York law for One UN Plaza, consisting of the following three components: (i) a Hotel Unit (floors 28 through 38, and portions of the basement, the ground floor and floors 2, 27 and 39, together with all elevators that service the other portions of the Hotel Unit); (ii) an Office Unit (floors 3 through 26, and portions of the basement, the ground floor and floors 2 and 27, together with all elevators that service the other portions of the Office Unit); and (iii) Common Elements.

Management

The condominium is governed by a three-member board of managers, with one member selected by the Hotel Unit Owner and two members selected by the Office Unit Owner. The City has irrevocably designated the Corporation as its attorney-in-fact to elect the two members of the board of managers representing the Office Unit Owner and to represent the City at all Unit Owner meetings. The board of managers supplies all basic building services and is responsible for the day-to-day operation and maintenance of all common areas. The board of managers maintains fire and other casualty insurance in an amount not less than the replacement cost of the common elements. The board of managers is obligated to rebuild and restore the common elements after any casualty.

The decisions requiring the concurrence of all Unit Owners acting unanimously include: (i) operating and capital budgets for One UN Plaza; (ii) imposition of Special Assessments; (iii) establishment of reserves; (iv) selection of management companies from which to solicit bids for the management of the common elements, and the terms of any management agreement; (v) the terms of service contracts where the annual charges exceed \$100,000; (vi) rules and regulations for the operation of One UN Plaza; (vii) alterations affecting common areas; and (viii) development of fire command and fire safety programs and procedures.

Unit Owner Costs and Expenses

Each Unit Owner is obligated to maintain its Unit in good condition and in compliance with all applicable laws; to pay, as common charges, its allocable share of operating expenses, including salaries of building staff, insurance premiums, professional fees and administrative overhead; to maintain insurance against damage from fire and other casualty to the Unit and its contents in an amount not less than the replacement cost and liability insurance in a minimum amount of \$50 million in the aggregate and per occurrence; to pay payroll taxes, fees and other governmental charges payable with respect to its Unit and discharge all liens filed against One UN Plaza that arise from the actions of the Unit Owner; and to rebuild and restore its Unit after any casualty.

Operating expenses of the condominium are allocated based upon various criteria, depending on the nature of the specific expense. These criteria include the square footage and hours of operation of the respective Units as well as other relevant factors. Electricity costs are allocated based on submetering where available and otherwise, on an engineering analysis of electricity usage. Common expense allocations may be reconsidered at the request of a Unit Owner on an annual basis with disagreements to be resolved by means of expedited arbitration. Changes in allocation are prospective only.

The Hotel Unit Owner is obligated to operate the Hotel as a full-service first-class hotel and to provide persons or entities affiliated with the UN certain reservation priorities. The Office Unit Owner is obligated to operate the Office Unit as first-class office space, with ancillary uses.

Defaults

Each Unit Owner has the right, after applicable notice and grace periods, to cure defaults by the board of managers in performing the board's obligations. Likewise, the board of managers has the right to cure defaults by each Unit Owner. The board of managers is granted the following remedies against a defaulting Unit Owner: (i) the right to maintain an action to recover amounts expended in curing the defaulting Unit Owner's obligations; (ii) the right to maintain an action for specific performance or other injunctive relief; and (iii) the right to prosecute a lien for the amount of any unpaid sums against the Unit of the defaulting Unit Owner. To the extent of unpaid Unit Owner common charges and electricity payments, such lien is superior to the lien of any mortgage encumbering the Unit. Registered Mortgagees have rights to notice of, and to cure, any monetary and non-monetary defaults under the Condominium Declaration. The board of managers will accept performance of Registered Mortgagees as the performance of the relevant Unit Owner. The Trustee is not currently a Registered Mortgagee and, accordingly, may not be able to cure defaults under the Condominium Declaration. The obligations of the Hotel Unit Owner are cross-defaulted with the obligations of the sublessee under the Sublease granted to RHM-88, LLC.

HOTEL SUBLEASE

The following is a summary of certain provisions of the Sublease, dated as of July 23, 1997, as amended by agreement dated as of July 21, 1998 (the "Sublease"), between the Corporation, as landlord and RHM-88, LLC, as lessee (the "Hotel Lessee"), to which reference is made for a complete recital of the terms thereof. Certain of the defined terms used in this summary are defined in the Sublease.

Sublease

As part of the disposition of the Corporation's interest in the Hotel (see "THE UNDC PROPERTIES - Disposition of Hotel and Operation by Hotel Operator" in the front part of the Official Statement) on July 23, 1997, the Corporation, as lessee of the Two UN Plaza land and improvements, entered into a sublease with the Hotel Lessee, as sublessee, for a term expiring on July 30, 2079, coterminous with the expiration of the Two UN Plaza Ground Lease. The premises under the sublease (the "Premises") encompass the following in Two UN Plaza: (i) floors 30 through 40, the duplexes and banquet space portions of the 29th floor and 29th mezzanine, as well as portions of the 2nd floor, lobby and basement and (ii) all elevators that service the other portions of the Premises.

The Corporation, as Landlord

The Corporation is responsible for the day-to-day operation and maintenance of all common areas and is obligated to supply chilled water, condenser water, hot water, domestic water, and central fire command station services; to repair and maintain the exterior, including the roof of Two UN Plaza; and to operate, maintain, repair, and replace mechanical, electrical, and certain other central building systems shared by the Premises and the office portions of Two UN Plaza. The Corporation is obligated to supply electricity for the Premises, the cost of which is reimbursed by the Hotel Lessee. The Corporation maintains insurance against damage from fire and other casualty in an amount not less than the replacement cost of Two UN Plaza. The Hotel Lessee is required to reimburse the Corporation for the Hotel Lessee's share of the cost to maintain such insurance. The Corporation is required to operate the office portions of Two UN Plaza as first-class office space and must rebuild and restore Two UN Plaza after any casualty.

Hotel Lessee

The decisions requiring the consent of the Hotel Lessee include: (i) operating and capital budgets for Two UN Plaza; (ii) imposition of Special Assessments; (iii) establishment of reserves; (iv) selection of management companies from which to solicit bids for the management of the common elements and the terms of any management agreement; (v) terms of service contracts where the annual charges exceed \$100,000; (vi) rules and regulations for the operation of Two UN Plaza; (vii) alterations affecting common areas; and (viii) development of fire command and fire safety programs and procedures.

The Hotel Lessee is obligated to operate the Premises as a full-service, first-class hotel; to provide certain reservation priorities to UN-related guests; to maintain the Premises in good condition and repair; to pay its allocable share of operating expenses, including all costs incurred by the Corporation with respect to the services provided by the Corporation, salaries of building staff, insurance premiums, professional fees, and administrative overhead for the operation of Two UN Plaza; to pay to the Corporation the Hotel Lessee's allocable share (based on cubic footage occupied) of the rent payable under the Two UN Plaza City Lease ("City Rent"); to pay to the Corporation 20.4% of the real estate taxes payable with respect to the land under Two UN Plaza and 20.4% of the rent payable under the Two UN Plaza Ground Lease between the Corporation and Bishop Trading Company; to maintain liability insurance in a minimum amount of \$50 million in the aggregate and per occurrence; and to pay all fees and other governmental charges payable with respect to the Premises and the operation of the Premises and to discharge all liens filed against Two UN Plaza that arise from the actions of the Hotel Lessee or the operation of the Premises.

The Hotel Lessee is permitted to perform alterations in the Premises that do not affect building systems without the Corporation's consent. The Hotel Lessee may only assign its interest in the Premises if the Hotel Unit at One UN Plaza is simultaneously conveyed to the assignee.

Allocation of Expenses

Allocation of operating expenses between the Corporation and Hotel Lessee is based on various criteria, depending upon the nature of the specific expense. These criteria include the square footage of non-hotel and the hotel portions of Two UN Plaza, hours of operation of the hotel and non-hotel portions, as well as other relevant factors. Electricity costs are allocated based on submetering where available and otherwise on engineering analyses of electricity usage. Either party may, on an annual basis, require a reconsideration of the common expense allocations, with any disagreements to be resolved by means of expedited arbitration. Any changes in allocation are prospective only.

Remedies

The Corporation's remedies against the Hotel Lessee include: (i) the right to maintain an action to recover any amounts, damages and interest owed by the Hotel Lessee to the Corporation; (ii) the right to maintain an action for specific performance or other injunctive relief; and (iii) the right to prosecute a lien for the amount of any unpaid sums against the Hotel Lessee's interest in the Sublease and other secured property. To the extent of certain unpaid expenses of the Hotel Lessee and electricity payments, such lien is superior to the lien of any mortgage encumbering the Hotel Lessee's leasehold interest. The Hotel Lessee is required to maintain a security deposit of \$500,000 for the first year of the lease, reduced to \$250,000 thereafter until the tenth year of the lease when the obligation may terminate. In accordance with the terms of the Sublease, the Corporation returned the \$250,000 security deposit to the Hotel Lessee in 2007. Any assignee of the leasehold interest is likewise required to post a security deposit on the effective date of any assignment, in like amounts for a new ten-year period. The obligation of the Hotel Lessee in Two UN Plaza is cross-defaulted with the obligations of the Hotel Unit Owner under the

Condominium Declaration in One UN Plaza. Recognized Mortgagees will be given rights to notice of, and to cure any monetary default and non-monetary defaults under the Sublease. The Corporation will accept performance of Recognized Mortgagees as the performance of the Hotel Lessee.

LEASEHOLD MORTGAGES

The following is a summary of certain provisions of the (i) Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Building Loan), (ii) Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Acquisition Loan); and (iii) Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Project Loan) (such three mortgages being, collectively, the “Mortgages”), each to be granted from the Corporation, as mortgagor, to the Trustee, as trustee and as mortgagee (in such capacity, the “Mortgagee”). The three Mortgages are substantively identical. This summary does not purport to be comprehensive or complete, and reference is made to the Mortgages for a complete recital of the terms thereof, copies of which are on file at the designated corporate trust office of the Trustee. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in APPENDIX A — “FORM OF INDENTURE OF TRUST.”

Obligations; Mortgaged Property. In order to secure: (i) payment of the principal amount of the 2025 Bonds (the “Secured Principal Amount”), and the redemption premium, if any, and interest on the 2025 Bonds according to their tenor and effect and the performance and observance by the Corporation of all the covenants of the Corporation expressed or implied in the 2025 Bonds and in the Security Documents, and (ii) payment, performance and observance of all obligations of the Corporation under the Security Documents including the Mortgages, whether now arising or hereafter arising, direct or indirect, absolute or contingent, joint or several, due or to become due, liquidated or unliquidated, secured or unsecured, original, renewed or extended, whether arising directly or acquired from others (all such indebtedness and obligations described in clauses (i) and (ii) above being collectively referred to herein as the “Obligations”), provided, however, that the maximum principal amount secured by the Mortgages shall not exceed the Secured Principal Amount, the Corporation grants, bargains, sells, conveys, transfers, mortgages, grants a security interest in, pledges and assigns to the Mortgagee, and its respective assigns forever, its right, title and interest in and to the following (the “Mortgaged Property”):

(i) The leasehold interests in (a) the One UN Plaza Facility (as defined below) and (b) the Two UN Plaza Building Site, and all rights or interests therein or appertaining thereto, together with its leasehold interest in the Two UN Plaza Building, exclusive of tenant trade fixtures (the “Two UN Plaza Facility” and together with the One UN Plaza Facility, the “Mortgaged Facilities”);

(ii) The One and Three U. Plaza City Lease, together with all modifications, extensions and renewals of the One and Three UN Plaza City Lease and all credits, deposits, options, purchase options, privileges and rights of the Corporation under the One and Three UN Plaza City Lease, including but not limited to, the right, if any, to renew or extend the One and Three UN Plaza City Lease for a succeeding term or terms, or to acquire fee title to or other interest in all or any portion of the One UN Plaza Building Site, and all rights or interests therein or appertaining thereto, together with its leasehold interest in the One UN Plaza Building, exclusive of tenant trade fixtures (the “One UN Plaza Facility”);

(iii) The Bishop Lease, together with all modifications, extensions and renewals of the Bishop Lease and all credits, deposits, options, purchase options, privileges and rights of the Corporation under or with respect to the Bishop Lease, including but not limited to, the right, if any, to renew or extend the Bishop Lease for a succeeding term or terms, or to acquire fee title to or other interest in all or any portion of the Two UN Plaza Building Site;

(iv) The Two UN Plaza City Lease, together with all modifications, extensions and renewals of the Two UN Plaza City Lease and all credits, deposits, options, purchase options, privileges and rights of the Corporation under the Two UN Plaza City Lease, including but not limited to, the right, if any, to renew or extend the Two UN Plaza City Lease for a succeeding term or terms, or to acquire fee title to or other interest in all or any portion of the Two UN Plaza Building;

(v) All other buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the One UN Plaza Building Site and the Two UN Plaza Building Site (together, the “Building Sites”);

(vi) All right, title and interest of the Corporation in and to the Mortgaged Facilities, together with the tenements, hereditaments, servitudes, appurtenances, estate, rights, privileges, liberties, appurtenances, licenses, royalties, mineral, oil and gas rights, water, water rights, reversions, remainders and immunities thereunto belonging or appertaining which may from time to time be owned by the Corporation or otherwise benefit the Corporation or the Mortgaged Facilities or its estate or rights therein, including all the right, title and interest of the Corporation in and to all streets, ways, alleys, roads, waters, water courses, water rights, waterways, passages, sewer rights and public places adjoining the Mortgaged Facilities and all easements and rights-of-way, public or private, and strips and gores of land, now or hereafter used in connection therewith, together with all land lying in the bed of any street, road or avenue, open or proposed, in front of or adjoining the Mortgaged Facilities to the center line thereof, now or hereafter used in connection with the Mortgaged Facilities;

(vii) All right, title and interest of the Corporation in the Equipment (as such term is defined in the Uniform Commercial Code of the State of New York), together with all fixtures, equipment, machinery, apparatus, appliances, fittings, chattels and articles of personal property of every kind and nature, and all building equipment, materials and supplies of any nature whatsoever, now or hereafter attached to, or used or usable in connection with any present or future operation or occupancy of the Mortgaged Facilities and owned by the Corporation or in which the Corporation has or shall have an interest and all renewals and replacements thereof and additions and accessions thereto, including, without limitation, all partitions, elevators, lifts, steam and hot water boilers, heating and air conditioning equipment, lighting and power plants, engines, motors, compressors, ducts, coal, oil and gas burning apparatus, pipes, pumps, plumbing, radiators, sinks, bath tubs, water closets, refrigerators, gas and electrical fixtures, communications apparatus, stoves, ranges, shades, screens, awnings, vacuum cleaning systems, and sprinkler system or other fire prevention or extinguishing apparatus and materials, all of which shall be deemed to be, remain and form a part of the Mortgaged Facilities and are covered by the liens of the Mortgages;

(viii) All right, title and interest of the Corporation in and to insurance proceeds, condemnation proceeds, awards, payments and other compensation payments, including interest thereon, and the right to receive and apply the same (including the right to receive and apply the proceeds of any judgments or settlements made in lieu of any such insurance, for damages to the Mortgaged Facilities), which are heretofore or hereafter made with respect to the Mortgaged Facilities as a result of or in lieu of any taking by eminent domain (including any transfer made in lieu of the exercise of said right), the alteration of the grade of any street, or any other damage or injury to or decrease in the value of the Mortgaged Facilities, subject to the terms of the Indenture as to the application of all such amounts so received;

(ix) All right, title and interest of the Corporation in and to (a) any and all present and future leases, subleases or any occupancy agreement in any building(s) on or to be erected upon the Mortgaged Facilities (including without limitation, the United Nations Lease and the UNDP Lease), along with any guaranty of any tenant’s obligations under any such agreement (such leases, subleases,

occupancy agreements and guarantees, collectively, the “Leases”); (b) all rents, issues and profits payable under any such leases, subleases or occupancy agreements (collectively, the “Rents”); and (c) any contracts for the sale of all or any portion of the Mortgaged Facilities or any building(s) or portions thereof on or to be erected upon the Mortgaged Facilities (“Sale Contracts”) and any down payments or other proceeds thereof. Nothing in this paragraph is intended to constitute the consent of the Mortgagee to any such leases, subleases or Sale Contracts;

(x) All the right, in the name and on behalf of the Corporation, to appear in and defend any action or proceeding brought with respect to the Mortgaged Facilities and to commence any action or proceeding to protect the interest of the Mortgagee in the Mortgaged Facilities;

(xi) All right, title and interest of the Corporation in any air rights, development rights, zoning rights or other similar rights or interests which benefit or are appurtenant to the Mortgaged Facilities and any proceeds arising therefrom;

(xii) To the extent assignable, all right, title and interest of the Corporation in and to any and all construction contracts, operating contracts, concessionaire agreements, franchise agreements, licenses, permits, management agreements, service contracts, supply and maintenance contracts, equipment leases, warranties, guaranties and all other agreements affecting the construction and/or the operation of the Mortgaged Facilities, together with all of the rights, reversions and/or equities now or hereafter appurtenant thereto;

(xiii) All right, title and interest of the Corporation in any Security Documents, as the same may hereafter be amended, modified and/or supplemented and in force and effect from time to time;

(xiv) Any and all other property of every kind and nature from time to time which is by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security under the Mortgages, by the Corporation or by any other Person with or without the consent of the Corporation, to the Mortgagee, which is authorized by the Mortgages to receive any and all such property at any time and at all times to hold and apply the same subject to the terms hereof; and

(xv) All proceeds, products, offspring, rents, profits, income, benefits, accessions, substitutions and replacements from sale, collection, exchange or other disposition of the aforesaid collateral derived from the Mortgaged Facilities, whether such disposition is voluntary or involuntary.

Security Agreement. The Mortgages are and shall be deemed to be security agreements under the New York State Uniform Commercial Code with respect to the Mortgaged Property and the Mortgagee shall have all the rights of a secured party thereunder.

Creation of Liens. The Mortgagor covenants that the Mortgages are and will be liens upon the Mortgaged Property, subject only to the permitted encumbrances set forth in the Mortgages.

Events of Default. The occurrence of an “Event of Default” under the Indenture shall constitute an “Event of Default” under this the Mortgage; provided, however, the City of New York shall have the right, for a period of 25 days more than is provided to the Corporation under the Mortgage, to remedy or cause to be remedied any default by thereunder.

Remedies. Upon the occurrence and continuance of an Event of Default under the Mortgages, the Mortgagee (subject to the provisions of the Indenture and the City Leases) may, in addition to any other rights or remedies available to under the Mortgages or elsewhere, take such action, without notice or demand, as it deems advisable to protect and enforce its rights against the Corporation, and in and to the

Mortgaged Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as the Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of the Mortgagee:

(i) enter into or upon the Mortgaged Property, either personally or by its agents, nominees or attorneys, and dispossess the Corporation and its agents and servants therefrom, and thereupon the Mortgagee may:

(ii) in accordance with applicable law, use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Mortgaged Property and conduct business thereat and therewith;

(iii) complete any construction, renovation, rebuilding or repairing of the Mortgaged Property in such manner and form as the Mortgagee deems advisable;

(iv) make such alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property as may be necessary or desirable to protect the Mortgagee's interest in the Mortgaged Property;

(v) exercise all rights and powers of the Corporation with respect to the Mortgaged Property as may be necessary or desirable to protect the Mortgagee's interest in the Mortgaged Property, whether in the name of the Corporation or otherwise, including, without limitation, the right to make, cancel, enforce or modify leases, obtain and evict tenants, and demand, sue for, collect and receive all earnings, revenues, rents, issues, profits and other income of the Mortgaged Property and every part thereof; and

(vi) apply the receipts from the Mortgaged Property to the payment of the Obligations in accordance with the Indenture;

(vii) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of the Mortgages for the portion of the Obligations then due and payable, subject to the continuing security and lien of the Mortgages for the balance of the Obligations not then due;

(viii) institute proceedings to foreclose the lien of the Mortgages against all or, from time to time, against any part of the Mortgaged Property and to have the same sold under the judgment or decree of a court of competent jurisdiction to the highest bidder, at public or private sale, subject to statutory and other legal requirements, if any, including all right, title and interest, claim and demand therein and thereto and all right of redemption thereof, in each case of the Corporation;

(ix) sell, assign or transfer the Mortgaged Property or any part thereof and all estate, claim, demand, right, title and interest of the Corporation therein and right of a redemption thereof, pursuant to power of sale or otherwise, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law for such price and form of consideration as the Mortgagee may determine or as may be required by law;

(x) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained in the Mortgages;

(xi) apply without notice for the appointment of or appoint a trustee, receiver, liquidator or conservator of the Mortgaged Property, without regard for the adequacy of the security for

the Obligations and without regard for the solvency of any Person liable for the payment of the Obligations whether or not in connection with an action to foreclose the Mortgages;

(xii) take possession of the Mortgaged Property (which shall, to the extent practicable in the case of personal property or fixtures, be assembled and made available to the Mortgagee by the Corporation at such place in The City as may be required by the Mortgagee) and otherwise exercise any and all of the rights of secured parties under the New York State Uniform Commercial Code – Secured Transactions; or

(xiii) pursue such other remedies as the Mortgagee may have under the Indenture and applicable law or in equity.

Application of Proceeds. All proceeds derived through the exercise of any remedies or the commencement of any proceedings under the Mortgages shall be applied in accordance with the Indenture.

Assignment of Leases and Rents. The Corporation absolutely and unconditionally assigns to the Mortgagee, as part of the consideration for the transactions contemplated by the Mortgages, the Rents and Leases and other documents or instruments evidencing the Rents now or hereafter in effect and any and all deposits or letters of credit held as security under the Leases, it being intended by the Corporation and the Mortgagee that such assignment constitutes an absolute and present assignment and not an assignment for additional security only.

INSURANCE COVERAGE

The following summarizes basic provisions of the insurance policies the Corporation currently maintains, pursuant to the Indenture. Those policies provide the following coverages with respect to the UNDC Properties: (1) all-risk property insurance, which provides coverage for property damage and business interruption as a result of such property damage; (2) commercial general liability and hired and non-owned automobile liability insurance; and (3) workers' compensation insurance as required by the laws of the State of New York.

All-Risk Property Insurance

Effective between April 1, 2025 and April 1, 2026, the Corporation's all-risk property insurance with Factory Mutual Insurance Company covers all risks of physical loss or damage to real and personal property, to the extent of the interest of the Corporation in such property, subject to certain policy exclusions and limitations described therein. Covered risks resulting in physical loss or damage to real and personal property include fire, standard extended coverage perils, and acts of terrorism. This coverage extends to loss or damage to the Condominium's interest in the Common Elements under the Condominium Declaration (such as the roof, structure and exterior of the building), and any loss of anticipated rental and other income by the Corporation due to the interruption in the total or partial use or occupancy of any of the UNDC Properties.

The maximum coverage limit per occurrence for property loss under the current all-risk property policy is \$878,342,000. For each occurrence of loss the Corporation sustains under the all-risk property insurance policy, the policy only covers the amount of loss greater than a deductible amount of \$100,000 per occurrence. Certain additional limits of liability apply to specific losses and occurrences, including but not limited to the following:

- (a) earthquake: \$300,000,000 in the aggregate during any policy year; and
- (b) flood: \$250,000,000 in the aggregate during any policy year.

Commercial General Liability and Automobile Liability Insurance

The Corporation maintains commercial general liability and commercial automobile liability insurance, including (1) a primary insurance policy provided by American Casualty Company of Reading, PA for the general liability and The Continental Casualty Company for the auto liability (both are CNA companies), effective between October 1, 2024 and October 1, 2025 and (2) umbrella and excess liability insurance policies, effective between October 1, 2024 and October 1, 2025.

The following limits on coverages apply under the primary insurance policy:

- (a) Commercial General Liability: \$1,000,000 per occurrence and \$2,000,000 aggregate;
- (b) Commercial Auto Liability: \$1,000,000 combined single limit for property damage and bodily injury covering hired and non-owned autos (the Corporation does not own any automobiles).

The umbrella and excess liability insurance the Corporation maintains consist of a lead insurance policy and a layered structure consisting of six excess liability insurance policies, for a total coverage amount of \$125,000,000 per occurrence and \$125,000,000 aggregate. The lead insurance policy has a limit of \$25,000,000 per occurrence and \$25,000,000 aggregate. Each of the additional excess liability insurance are layered based on various available capacity in excess of the underlying policies, totaling limits of liability of \$126,000,000 each occurrence and \$127,000,000 aggregate (in each case including the primary policy).

The carriers providing the above excess liability coverages are as follows:

- a) The lead excess liability insurance policy is provided by
- b) The additional excess liability insurance policies are provided by the following carriers, in increasing amounts of aggregate coverage: Liberty International Underwriters Inc.; Continental Indemnity Company; Westchester Fire Insurance Co.; XL Insurance America, Inc.; The Continental Insurance Company; and Fireman's Fund Insurance.

Workers' Compensation Insurance

The Corporation maintains Workers' Compensation Insurance with the New York State Insurance Fund, effective between June 26, 2024 and June 26, 2025, in compliance with the laws of the State of New York.

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APPENDIX G

FINANCIAL STATEMENTS OF THE UNITED NATIONS DEVELOPMENT CORPORATION

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United Nations Development Corporation
Financial Statements (Together with Independent Auditors' Report)
For the Years Ended December 31, 2024 and 2023
and Supplemental Schedule
For the Year Ended December 31, 2024

United Nations Development Corporation

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
United Nations Development Corporation
New York, NY

Opinion

We have audited the financial statements of United Nations Development Corporation (the "Corporation") as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2024 and 2023, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 27 and 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

CBIZ CPAs P.C.

New York, NY
April 3, 2025

United Nations Development Corporation

Management's Discussion and Analysis (Unaudited)

Overview

The following is an overview of the activities and financial performance of the United Nations Development Corporation (the "Corporation") for the years ended December 31, 2024 and 2023. It should be read in conjunction with the Corporation's financial statements that follow this section. The financial statements, which include statements of net position, statements of revenues, expenses and changes in net position, statements of cash flows and notes to financial statements, provide information in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board ("GASB"). The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The Corporation

The Corporation is a body corporate and politic constituting a public benefit corporation organized and existing under the laws of the State of New York (the "State"), including particularly Chapter 345, Laws of New York, 1968, as amended. The Corporation was created to undertake coordinated development of office space and other facilities in the area of the United Nations ("UN") headquarters in The City of New York (the "City") to support the official international community in the City, including the UN, missions to the UN and UN-related programs and activities (together, the "UN Community").

UNDC Properties

The Corporation developed and operates certain properties described below and known as "One UN Plaza," "Two UN Plaza" and "Three UN Plaza" (collectively, the "UNDC Properties") and leases such properties to the UN and certain members of the UN Community.

One UN Plaza. One UN Plaza is a 39-story mixed-use office building and hotel located on East 44th Street and First Avenue in Manhattan, across the street from the UN headquarters. One UN Plaza opened in 1975 and includes approximately 420,000 rentable square feet of office space, along with approximately 210,000 square feet of hotel space, and separate ground floor lobby areas for the office and for the hotel. One UN Plaza is separated into two condominium units pursuant to a Declaration of Condominium, dated June 5, 1997, as amended, with the hotel portion constituting one condominium unit and the balance of the building (except for common areas) constituting the other condominium unit. In 1997, the Corporation sold the Hotel Unit to its current owner, RHM-88, LLC, which is affiliated with Millennium & Copthorne Hotels, a wholly-owned subsidiary of City Developments Limited of Singapore.

Two UN Plaza. Two UN Plaza is a 40-story mixed-use office building and hotel located west of and adjacent to One UN Plaza on 44th Street and extends north to 45th Street. Two UN Plaza opened in 1983 and includes approximately 450,000 rentable square feet of office and approximately 200,000 square feet of hotel space. Two UN Plaza also has separate ground floor lobbies for the office and hotel components, and approximately 10,000 square feet of storage space.

Three UN Plaza. Three UN Plaza is a 15-story office building with an adjacent urban plaza located on the south side of East 44th Street between First and Second Avenues, across from One and Two UN Plaza. Three UN Plaza opened in 1987 and includes approximately 205,000 square feet of office space. All of Three UN Plaza is leased to UNICEF as its world headquarters. The Corporation and the City have agreed that upon the expiration of the UNICEF Lease in 2026, and subject to certain conditions being met, including compliance by UNICEF with its obligations under the UNICEF Lease and maintenance of UNICEF's world headquarters in the City, UNICEF will obtain ownership of Three UN Plaza, without payment by UNICEF for the transfer.

United Nations Development Corporation

Management's Discussion and Analysis (Unaudited)

The Corporation is governed by a 15-member Board of Directors. Of the 15 members, two serve as *ex officio* members by virtue of their respective offices as Commissioner of the New York City Department of Housing Preservation and Development and as Chair of the New York City Planning Commission, eight are appointed by the Governor of the State and five (including the Chair of the Board), are appointed by the Mayor of the City.

United Nations Occupancy at the UNDC Properties

Since their construction, the office portions of the UNDC Properties have been occupied almost exclusively by the UN and various members of the UN Community, with a campus-like environment to facilitate their work. Since initial occupancy of One UN Plaza in 1975 and Two UN Plaza in 1983, the UN has preserved that campus environment by exercising all available renewal and extension options under its prior leases. In addition, whenever any space leased to a foreign mission in One UN Plaza or Two UN Plaza has become vacant, the Corporation has offered the space to the UN, which has then generally leased the space on terms consistent with market rental rates at the time.

In December of 2021, the UN advised the Corporation that it would not renew its lease at One UN Plaza upon its expiration on March 31, 2023 but that it planned to renew its lease for all space occupied at Two UN Plaza and consolidate staff from offices at One UN Plaza and other Manhattan locations into Two UN Plaza. At that time, the United Nations Development Programme ("UNDP"), the UN's lead agency in international development and a subtenant of the UN at One UN Plaza since 1982, advised that it was considering a lease at One UN Plaza for the space then occupied plus additional floors, for occupancy as UNDP's world headquarters. The UN extended the term of its One UN Plaza Lease for space occupied by UNDP and other UN organizations that were UN subtenants, and the term of the Two UN Plaza UN Lease for all space under lease, in each instance from April 1, 2023 through April 30, 2025, the anticipated date of issuance of the 2025 Bonds (as defined below), at existing rents and other terms.

Subsequent Events

In February of 2025 the Corporation entered into a new lease with UNDP (the "New UNDP Lease") for approximately 60% of the leasable office space at One UN Plaza and a new lease with the UN (the "New UN Lease") for substantially all of the leasable office space at Two UN Plaza, each of which will become effective upon the issuance of the 2025 Bonds (as defined below). The New UN Lease and the New UNDP Lease are referred to herein collectively as the "New UN Leases." Under the terms of the New UN Leases, the Corporation is obligated to undertake certain improvements to One UN Plaza and Two UN Plaza and to provide the UN and UNDP with certain tenant incentives in the form of free rent and a tenant improvement allowance to fund improvements that the UN and UNDP will each undertake within their respective leased premises. Each of the New UN Leases expires in 2040, subject to two 5-year extension rights on the part of the respective tenants.

The Corporation expects to issue approximately \$365 million aggregate principal amount of federally taxable bonds (the "2025 Bonds") in the first half of 2025 pursuant to an Indenture of Trust and a First Supplemental Indenture of Trust. A portion of the proceeds of the 2025 Bonds, together with other available cash reserves of the Corporation and surplus cash flow revenues, will be used to finance certain building-wide renovations and capital improvements to the common areas in One UN Plaza and Two UN Plaza, as well as improvements to the space in One UN Plaza and Two UN Plaza that is being leased to the UN and UNDP pursuant to the New UN Leases (collectively, the "Project"). More specifically, the Project will consist of improvements to update building systems, comply with NYS BuildSmart 2025 and State energy code requirements, enhance energy efficiencies, updates to conform to current fire safety and handicapped codes and regulations, and renovations to entryways, storage facilities, lavatories and common areas and

United Nations Development Corporation

Management's Discussion and Analysis (Unaudited)

the provision of indoor bicycle parking. The Project will also include the funding of tenant improvement allowances that the UN and UNDP will use to modernize their premises under the New UN Leases.

The amount expended for development-in-progress for the Project as of December 31, 2024 was \$17.1 million, with additional commitments of \$19.0 million.

Summary Statements of Net Position

The following Summary Statements of Net Position presents the financial position of the Corporation. The net position is the difference between (i) total assets and (ii) total liabilities plus deferred inflows of resources.

A comparison of the Corporation's assets, liabilities, deferred inflows of resources, and net position at December 31 is as follows:

Assets:	2024	2023	2022
Current assets	\$ 23,331,718	\$ 19,040,677	\$ 77,315,358
Restricted assets	124,034,025	128,519,078	65,846,983
Property and equipment, net	49,674,268	43,782,313	39,946,259
Other noncurrent assets	8,514,659	15,292,098	13,438,217
Total assets	\$ 205,554,670	\$ 206,634,166	\$ 196,546,817
Liabilities:			
Total current liabilities	\$ 18,165,908	\$ 17,374,994	\$ 11,806,767
Total noncurrent liabilities	7,884,349	16,713,273	24,150,852
Total liabilities	26,050,257	34,088,267	35,957,619
Deferred inflows of resources			
Unamortized gain on bond refunding	81,229	239,819	472,074
Leases	6,025,871	7,363,711	5,900,791
Total deferred inflows of resources	6,107,100	7,603,530	6,372,865
Net position	173,397,313	164,942,369	154,216,333
Total liabilities, deferred inflows of resources and net position	\$ 205,554,670	\$ 206,634,166	\$ 196,546,817

2024 vs. 2023

At December 31, 2024, the Corporation had total assets of \$205.6 million, a decrease of \$1.0 million from \$206.6 million at December 31, 2023.

Current assets were \$23.3 million at December 31, 2024, an increase of \$4.3 million from \$19.0 million at December 31, 2023. Current assets consist of cash and cash equivalents, accounts receivable, the current portion of the Corporation's lease receivables and receivable from UNICEF, and prepaid expenses and other assets (net). The increase in current assets was due to an increase in accounts receivable, reflecting payments

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of \$3.1 million in rent and tenant charges payable in 2024 but received in 2025, and a \$1.0 million increase in prepaid expenses and other assets.

As described in Note 5, on April 11, 2019, the Corporation issued its 2019 Refunding Bonds, Series A ("2019 Bonds") in the principal amount of \$42,085,000. The proceeds of the 2019 Bonds were used to refund the Corporation's 2009 Refunding Bonds, Series A ("2009 Bonds") on July 1, 2019 in order to reduce debt service obligations. The 2019 Bonds have consistently been rated Aa3 by Moody's and AA by Fitch. The 2019 Bonds pay semi-annual interest on January 1 and July 1 at various rates with mandatory annual redemption of stated principal amounts on July 1. The balance of the 2019 Bonds as of December 31, 2024 was \$13,520,000.

Restricted assets represent funds held in investment accounts under the Indenture for the 2019 Bonds, as described in Note 5. Restricted assets were \$124.0 million at December 31, 2024, a decrease of \$4.5 million from \$128.5 million at December 31, 2023.

Property and equipment, net was \$49.7 million and \$43.8 million at December 31, 2024 and 2023, respectively. The increase of \$5.9 million in property and equipment is attributable to project improvements, including demolition and related work on certain office floors at One UN Plaza to prepare for tenant occupancy under new leases. Other noncurrent assets at December 31, 2024 and 2023 were \$8.5 million and \$15.3 million, respectively, mainly representing recognition of lease receivables in accordance with GASB 87, *Leases*.

Current liabilities at December 31, 2024 were \$18.2 million, an increase of \$800,000 from \$17.4 million at December 31, 2023. The increase in current liabilities is mainly due to an increase of \$1.6 million in the current portion of long-term debt due on July 1, 2025 (Bonds of 2019) and August 1, 2025 (Bonds of 1980), which offset the decrease of \$700,000 in unearned revenues.

Noncurrent liabilities at December 31, 2024 were \$7.9 million, a decrease of \$8.8 million from \$16.7 million at December 31, 2023. The decrease in noncurrent liabilities is mainly due to a decrease of \$8.4 million in long-term debt, net of current portion, due to scheduled payments of debt service by the Corporation.

Deferred inflows of resources at December 31, 2024 were \$6.1 million, a decrease of \$1.5 million from \$7.6 million at December 31, 2023, mainly due to the decrease of deferred inflows from leases.

2023 vs. 2022

At December 31, 2023, the Corporation had total assets of \$206.6 million, an increase of \$10.1 million from \$196.5 million at December 31, 2022.

Current assets were \$19.0 million at December 31, 2023, a decrease of \$58.3 million from \$77.3 million at December 31, 2022. The decrease in current assets is due primarily to the investment of \$54 million previously held as cash and cash equivalents in a U.S. Treasury money market fund classified as restricted assets, and a decrease in lease receivables of \$4.9 million due to continued recognition of lease revenue and related interest income in accordance with GASB 87, *Leases*.

Restricted assets were \$128.5 million at December 31, 2023, an increase of \$62.7 million from \$65.8 million at December 31, 2022. The increase in restricted assets was due primarily to the investment of \$54 million previously classified as current assets in a U.S. Treasury money market fund as described above.

Property and equipment, net was \$43.8 million and \$39.9 million at December 31, 2023 and 2022, respectively. The increase of \$3.9 million in property and equipment is attributable to project improvements,

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including demolition and related work on certain office floors at One UN Plaza to prepare for tenant occupancy under new leases. Other noncurrent assets at December 31, 2023 and 2022 were \$15.3 million and \$13.4 million, respectively, mainly representing the Corporation's receivable from UNICEF at Three UN Plaza.

Current liabilities at December 31, 2023 were \$17.4 million, an increase of \$5.6 million from \$11.8 million at December 31, 2022. The increase in current liabilities is mainly due to an increase of \$5.4 million in accounts payable and accrued expenses at December 31, 2023 due to an increase in Project expenditures for 2023 and the timing of payments made by the Corporation near year-end 2023.

Noncurrent liabilities at December 31, 2023 were \$16.7 million, a decrease of \$7.5 million from \$24.2 million at December 31, 2022. The decrease in noncurrent liabilities is mainly due to a decrease of \$7.0 million in long-term debt, net of current portion, due to scheduled payments of debt service by the Corporation.

Deferred inflows of resources at December 31, 2023 were \$7.6 million, an increase of \$1.2 million from \$6.4 million at December 31, 2022, mainly due to an increase in deferred inflows from leases.

Statements of Revenues, Expenses and Changes in Net Position

The following is a summary of the Corporation's revenues, expenses, and change in net position for the years ended December 31:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	2024 vs. 2023 (%)	2023 vs. 2022 (%)
Total operating revenues	\$ 38,057,706	\$ 40,277,245	\$ 45,789,057	-6%	-12%
Total operating expenses	<u>35,181,755</u>	<u>34,561,975</u>	<u>31,424,778</u>	2%	10%
Operating income	<u>2,875,951</u>	<u>5,715,270</u>	<u>14,364,279</u>		
Nonoperating revenues (expenses):					
Interest income	5,604,736	3,998,034	487,453	40%	720%
Interest expense	(310,456)	(369,002)	(449,974)	16%	18%
Unrealized gain (loss) on restricted assets	<u>284,713</u>	<u>1,381,734</u>	<u>(951,846)</u>	-79%	245%
Total nonoperating revenues (expenses)	<u>5,578,993</u>	<u>5,010,766</u>	<u>(914,367)</u>	11%	648%
Change in net position	<u>8,454,944</u>	<u>10,726,036</u>	<u>13,449,912</u>		
Net position, beginning of year	<u>164,942,369</u>	<u>154,216,333</u>	<u>140,766,421</u>	7%	10%
Net position, end of year	<u>\$ 173,397,313</u>	<u>\$ 164,942,369</u>	<u>\$ 154,216,333</u>	5%	7%

Operating Revenues. Operating revenues for the years ended December 31, 2024, 2023 and 2022 were \$38.1 million, \$40.3 million and \$45.8 million, respectively. The decreases in operating revenues for 2024 and 2023 as compared to 2022 are mainly due to a reduction, beginning in April 2023, in space leased by the UN at One UN Plaza.

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Operating Expenses. Total operating expenses for the years ended December 31, 2024, 2023 and 2022 were \$35.2 million, \$34.6 million and \$31.4 million, respectively. The increases in operating expenses for each year were attributable to increases in expenditures for general building repairs and professional fees for the Project.

Nonoperating Revenues (Expenses). Total nonoperating revenues (expenses) for the years ended December 31, 2024, 2023 and 2022 were \$5.6 million, \$5.0 million and \$(914,000) respectively.

Interest income for the years ended December 31, 2024, 2023 and 2022 was \$5.6 million, \$4.0 million and \$487,000, respectively. The unrealized gain on restricted assets for 2023 increased by 245% over 2022 due to higher yields on investments in 2023 and the investment of \$54 million previously held as cash and cash equivalents in a U.S. Treasury money market fund classified as restricted assets.

Net Position. The total net position at December 31, 2024, 2023 and 2022 was \$173.4 million, \$164.9 million and \$154.2 million, respectively.

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Statements of Net Position

	As of December 31,	
	<u>2024</u>	<u>2023</u>
Assets:		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 4,381,070	\$ 5,202,083
Accounts receivable, less allowance for doubtful accounts of \$286,700 in 2024 and 2023	4,333,767	1,196,031
Current portion of receivable from UNICEF (Note 6)	5,538,264	4,665,419
Current portion of lease receivable (Note 6)	1,239,175	1,144,535
Prepaid expenses and other assets, net	7,839,442	6,832,609
Total current assets	23,331,718	19,040,677
Noncurrent assets:		
Restricted assets (Note 3)	124,034,025	128,519,078
Receivable from UNICEF, less current portion (Note 6)	3,147,463	8,685,727
Lease receivable, less current portion (Note 6)	5,367,196	6,606,371
Property and equipment, net (Note 4)		
Nondepreciable	17,134,557	6,358,010
Depreciable, net	32,539,711	37,424,303
Total property and equipment, net	49,674,268	43,782,313
Total noncurrent assets	182,222,952	187,593,489
Total assets	\$ 205,554,670	\$ 206,634,166
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 9,205,536	\$ 9,152,447
Security deposits payable and unearned revenues	330,184	1,021,653
Lease liability - current (Note 6)	447,188	425,894
	9,982,908	10,599,994
Current liabilities (payable from restricted assets):		
Accrued interest payable	338,000	495,000
Current portion of long-term debt	7,845,000	6,280,000
	8,183,000	6,775,000
Total current liabilities	18,165,908	17,374,994
Noncurrent liabilities:		
Long-term obligations, net of current portion (Note 5)	7,655,301	16,037,038
Lease liability, net of current portion (Note 6)	229,048	676,235
Total noncurrent liabilities	7,884,349	16,713,273
Total liabilities	26,050,257	34,088,267
Deferred inflows of resources:		
Unamortized gain on bond refunding	81,229	239,819
Leases	6,025,871	7,363,711
Total deferred inflows of resources	6,107,100	7,603,530
Net position:		
Net investment in capital assets	19,429,408	22,451,044
Restricted for debt service	58,976,956	62,647,225
Unrestricted	94,990,949	79,844,100
Total net position	173,397,313	164,942,369
Total liabilities, deferred inflows of resources and net position	\$ 205,554,670	\$ 206,634,166

The accompanying notes are an integral part of these financial statements.

United Nations Development Corporation

Statements of Revenues, Expenses and Changes in Net Position

	For the years ended December 31,	
	<u>2024</u>	<u>2023</u>
Operating revenues:		
Revenue from leases		
Rents - office space	\$ 35,867,966	\$ 37,703,626
Interest - leases	382,777	741,421
Other income	<u>1,806,963</u>	<u>1,832,198</u>
Total operating revenues	<u>38,057,706</u>	<u>40,277,245</u>
Operating expenses:		
Administrative salaries and employee benefits	2,140,959	2,084,807
Property manager's reimbursable salaries and employee benefits	3,642,248	3,475,633
Other operating costs	16,284,447	16,312,241
Depreciation and amortization (Note 4)	6,905,230	6,850,627
Rent and real estate taxes (Note 6)	3,076,304	3,054,236
Management fees	163,694	160,485
Professional fees	<u>2,968,873</u>	<u>2,623,946</u>
Total operating expenses	<u>35,181,755</u>	<u>34,561,975</u>
Operating income	<u>2,875,951</u>	<u>5,715,270</u>
Nonoperating revenues (expenses):		
Interest income	5,604,736	3,998,034
Interest expense (Note 5)	(310,456)	(369,002)
Unrealized gain on restricted assets (Note 3)	<u>284,713</u>	<u>1,381,734</u>
Total nonoperating revenues (expenses)	<u>5,578,993</u>	<u>5,010,766</u>
Change in net position	8,454,944	10,726,036
Net position, beginning of year	<u>164,942,369</u>	<u>154,216,333</u>
Net position, end of year	<u>\$ 173,397,313</u>	<u>\$ 164,942,369</u>

The accompanying notes are an integral part of these financial statements.

United Nations Development Corporation

Statements of Cash Flows

	For the years ended December 31,	
	2024	2023
Cash flows from operating activities:		
Receipts from tenants	\$ 38,700,615	\$ 45,887,204
Payments to suppliers	(20,345,513)	(14,423,464)
Payments for rent and real estate taxes	(3,101,549)	(3,050,227)
Payments to employees and property manager for salaries and benefits	(5,783,207)	(5,588,808)
Net cash provided by operating activities	9,470,346	22,824,705
Cash flows from capital and related financing activities:		
Repayments of principal on long-term debt	(6,280,000)	(5,985,000)
Interest payments on long-term debt	(1,162,783)	(1,482,567)
Repayments of principal on lease liability	(425,893)	(405,613)
Interest payments on lease liability	(55,106)	(75,387)
Capital expenditures for properties	(12,797,185)	(10,674,354)
Net cash used in capital and related financing activities	(20,720,967)	(18,622,921)
Cash flows from investing activities:		
Interest and realized gains on investment securities	5,604,736	3,998,034
Maturities and redemptions of investment securities	35,776,510	34,848,191
Purchases of investment securities	(30,951,638)	(96,063,165)
Net cash provided by (used in) investing activities	10,429,608	(57,216,940)
Net decrease in cash and cash equivalents	(821,013)	(53,015,156)
Cash and cash equivalents, beginning of year	5,202,083	58,217,239
Cash and cash equivalents, end of year	\$ 4,381,070	\$ 5,202,083
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 2,875,951	\$ 5,715,270
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	6,905,230	6,850,627
Changes in operating assets and liabilities:		
Accounts receivable	(3,137,736)	1,923,890
Receivable from UNICEF	4,665,419	3,932,285
Lease receivable	1,144,535	(1,647,619)
Prepaid expenses and other assets	(1,006,833)	(815,239)
Accounts payable and accrued expenses	53,089	5,464,088
Security deposits payable and unearned revenues	(691,469)	(61,517)
Deferred inflows of resources	(1,337,840)	1,462,920
Net cash provided by operating activities	\$ 9,470,346	\$ 22,824,705

The accompanying notes are an integral part of these financial statements.

United Nations Development Corporation

Notes to Financial Statements

1. Organization: Properties; Subsequent Events

The Corporation

United Nations Development Corporation (the “Corporation”) is a body corporate and politic constituting a public benefit corporation organized and existing under the laws of the State of New York (the “State”), including particularly Chapter 345, Laws of New York, 1968, as amended. The Corporation was created to undertake coordinated development of office space and other facilities in the area of the United Nations (“UN”) headquarters in The City of New York (the “City”) to support the official international community in the City, including the UN, missions to the UN and UN-related programs and activities (together, the “UN Community”).

UNDC Properties

The Corporation developed and operates certain properties described below and known as “One UN Plaza,” “Two UN Plaza” and “Three UN Plaza” (collectively, the “UNDC Properties”) and leases such properties to the UN and certain members of the UN Community.

One UN Plaza. One UN Plaza is a 39-story mixed-use office building and hotel located on East 44th Street and First Avenue in Manhattan, across the street from the UN headquarters. One UN Plaza opened in 1975 and includes approximately 420,000 rentable square feet of office space, along with approximately 210,000 square feet of hotel space, and separate ground floor lobby areas for the office and for the hotel. One UN Plaza is separated into two condominium units pursuant to a Declaration of Condominium, dated June 5, 1997, as amended, with the hotel portion constituting one condominium unit and the balance of the building (except for common areas) constituting the other condominium unit. In 1997 the Corporation sold the Hotel Unit to its current owner, RHM-88, LLC, which is affiliated with Millennium & Copthorne Hotels, a wholly-owned subsidiary of City Developments Limited of Singapore.

Two UN Plaza. Two UN Plaza is a 40-story mixed-use office building and hotel located west of and adjacent to One UN Plaza on 44th Street and extends north to 45th Street. Two UN Plaza opened in 1983 and includes approximately 450,000 rentable square feet of office and approximately 200,000 square feet of hotel space. Two UN Plaza also has separate ground floor lobbies for the office and hotel components, and approximately 10,000 square feet of storage space.

Three UN Plaza. Three UN Plaza is a 15-story office building with an adjacent urban plaza located on the south side of East 44th Street between First and Second Avenues, across from One and Two UN Plaza. Three UN Plaza opened in 1987 and includes approximately 205,000 square feet of office space. All of Three UN Plaza is leased to UNICEF as its world headquarters. The Corporation and the City have agreed that upon the expiration of the UNICEF Lease in 2026, and subject to certain conditions being met, including compliance by UNICEF with its obligations under the UNICEF Lease and maintenance of UNICEF’s world headquarters in the City, UNICEF will obtain ownership of Three UN Plaza, without payment by UNICEF for the transfer.

The Corporation is governed by a 15-member Board of Directors. Of the 15 members, two serve as *ex officio* members by virtue of their respective offices as Commissioner of the New York City Department of Housing Preservation and Development and as Chair of the New York City Planning Commission, eight are appointed by the Governor of the State and five (including the Chair of the Board), are appointed by the Mayor of the City.

United Nations Development Corporation

Notes to Financial Statements

United Nations Occupancy at the UNDC Properties

Since their construction, the office portions of the UNDC Properties have been occupied almost exclusively by the UN and various members of the UN Community, with a campus-like environment to facilitate their work. Since initial occupancy of One UN Plaza in 1975 and Two UN Plaza in 1983, the UN has preserved that campus environment by exercising all available renewal and extension options under its prior leases. In addition, whenever any space leased to a foreign mission in One UN Plaza or Two UN Plaza has become vacant, the Corporation has offered the space to the UN, which has then generally leased the space on terms consistent with market rental rates at the time.

In December of 2021, the UN advised the Corporation that it would not renew its lease at One UN Plaza upon its expiration on March 31, 2023 but that it planned to renew its lease for all space occupied at Two UN Plaza and consolidate staff from offices at One UN Plaza and other Manhattan locations into Two UN Plaza. At that time, the United Nations Development Programme (“UNDP”), the UN’s lead agency in international development and a subtenant of the UN at One UN Plaza since 1982, advised that it was considering a lease at One UN Plaza for the space then occupied plus additional floors, for occupancy as UNDP’s world headquarters. The UN extended the term of its One UN Plaza Lease for space occupied by UNDP and other UN organizations that were UN subtenants, and the term of the Two UN Plaza UN Lease for all space under lease, in each instance from April 1, 2023 through April 30, 2025, the anticipated date of issuance of the 2025 Bonds (as defined below), at existing rents and other terms.

Subsequent Events

In February of 2025 the Corporation entered into a new lease with UNDP (the “New UNDP Lease”) for approximately 60% of the leasable office space at One UN Plaza and a new lease with the UN (the “New UN Lease”) for substantially all of the leasable office space at Two UN Plaza, each of which will become effective upon the issuance of the 2025 Bonds (as defined below). The New UN Lease and the New UNDP Lease are referred to herein collectively as the “New UN Leases.” Under the terms of the New UN Leases, the Corporation is obligated to undertake certain improvements to One UN Plaza and Two UN Plaza and to provide the UN and UNDP with certain tenant incentives in the form of free rent and a tenant improvement allowance to fund improvements that the UN and UNDP will each undertake within their respective leased premises. Each of the New UN Leases expires in 2040, subject to two 5-year extension rights on the part of the respective tenants.

The Corporation expects to issue approximately \$365 million aggregate principal amount of federally taxable bonds (the “2025 Bonds”) in the first half of 2025 pursuant to an Indenture of Trust and a First Supplemental Indenture of Trust. A portion of the proceeds of the 2025 Bonds, together with other available cash reserves of the Corporation and surplus cash flow revenues will be used to finance certain building-wide renovations and capital improvements to the common areas in One UN Plaza and Two UN Plaza as well as improvements to the space in One UN Plaza and Two UN Plaza that is being leased to the UN and UNDP pursuant to the New UN Leases (collectively, the “Project”). More specifically, the Project will consist of improvements to update building systems, comply with NYS BuildSmart 2025 and State energy code requirements, enhance energy efficiencies, updates to conform to current fire safety and handicapped codes and regulations, and renovations to entryways, storage facilities, lavatories and common areas and the provision of indoor bicycle parking. The Project will also include the funding of tenant improvement allowances that the UN and UNDP will use to modernize their premises under the New UN Leases.

United Nations Development Corporation

Notes to Financial Statements

2. Significant Accounting Policies

Basis of accounting

The Corporation uses the economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), as prescribed by the Governmental Accounting Standards Board ("GASB"). GASB is the primary standard-setting body for establishing governmental accounting and financial reporting principles.

Cash and cash equivalents

Cash and cash equivalents consist of demand deposits that are either federally insured or collateralized with short-term investments in U.S. Government obligations with an original maturity of three months or less when acquired, except for bank deposits of approximately \$250,000 as of December 31, 2024 and 2023, respectively, that were uninsured and uncollateralized. All securities held by custodians as collateral are registered and held in the Corporation's name.

Operating and non-operating revenue

As required by U.S. GAAP, the Corporation recognizes a lease receivable and a deferred inflow of resources. The lease receivable is amortized over the life of the lease and interest revenue is recognized over the term of the lease. Rental revenue is recognized in a systematic and rational manner (typically straight-line) over the term of the lease and the deferred inflow of resources is reduced in the same manner. Given the nature of the Corporation's operations, revenue from leases, including related interest income, and related fees and agreements is considered operating revenue. All other revenues are considered non-operating.

Receivable from UNICEF

The Corporation's lease with UNICEF at Three UN Plaza is stated at its net investment amount. Net income is recognized over the life of the UNICEF lease, which expires on July 2, 2026.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Expenditures for maintenance and repairs are charged to operations as incurred. Significant renovations that improve and extend the useful life of an asset are capitalized. The Corporation's capitalization threshold is currently \$5,000.

Depreciation is computed by the straight-line method over the following periods: (i) 50 years for buildings; (ii) 3 to 25 years for building improvements; and (iii) 3 to 10 years for furniture, fixtures and equipment. The land under One UN Plaza is treated as a leasehold interest and its acquisition cost is being amortized over the term of the 1972 Lease (as defined in Note 6).

Bond issuance costs

Bond issuance costs are recognized as expenses in the period incurred.

Net position

The Corporation's net position is classified in the following categories: (a) net investment in capital assets: which consists of project assets, net of accumulated depreciation and deferred costs, reduced by the outstanding balance of debt attributable to the acquisition, construction, or improvement of those assets; (b) restricted: which consists of assets restricted for specific purposes

United Nations Development Corporation

Notes to Financial Statements

by law or parties external to the Corporation; and (c) unrestricted: which consists of assets that are not classified either as net investment in capital assets, or as restricted. When both restricted and unrestricted resources are available for use, it is the Corporation's policy to use restricted resources first, and then unrestricted resources as they are needed.

Income taxes

No provision for taxes or deferred taxes has been included in these financial statements because the Corporation is exempt from federal and state income taxes as a public benefit corporation of the State of New York and a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code.

Use of estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Recent accounting pronouncements

The following are discussions of the standards requiring implementation in the current year and standards which may impact the Corporation in future years.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62* ("GASB 100"), has been issued to help enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. GASB 100 defines accounting changes, addresses corrections of errors in previously issued financial statements, and prescribes accounting and financial reporting for both. GASB 100 also addresses how information that is affected by a change in accounting or error correction should be presented in the required supplementary information explaining that the information should be restated for error corrections but not for changes in accounting principles. The requirements of GASB 100 are effective for fiscal years beginning after June 15, 2023. The Corporation has completed the process of evaluating GASB 100 and determined that no accounting changes or errors were identified; therefore, there is no impact on the Corporation's financial statements.

GASB Statement No. 101, *Compensated Absences* ("GASB 101"), has been issued to align the recognition and measurement guidance of compensated absences. GASB 101 requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled otherwise. GASB 101 also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The requirements of GASB 101 are effective for fiscal years beginning after December 15, 2023. The Corporation has completed its evaluation of GASB 101 and noted that compensated absence balances are included in the Corporation's liability calculations and the adoption had no impact on the Corporation's financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*, ("GASB 102") is effective for fiscal years beginning after June 15, 2024. GASB 102 improves financial reporting by providing timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The Corporation has not completed the process of evaluating GASB 102.

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GASB Statement No. 103, *Financial Reporting Model Improvements* (“GASB 103”), is effective for fiscal years beginning after June 15, 2025. GASB 103 seeks to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The Corporation has not completed their evaluation of GASB 103 but does not anticipate any material impact.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* (“GASB 104”), is effective for fiscal years beginning after June 15, 2025. GASB 104 requires certain types of capital assets to be disclosed separately in the capital assets note disclosure. The Statement also requires additional disclosures for capital assets held for sale and for such assets to be evaluated each reporting period. The Corporation has not completed their evaluation of GASB 104 but does not anticipate any material impact.

3. Investments and Restricted Assets and Fair Value Measurements

All investments are carried at fair value. Certain accounts are funded by the Corporation as required under the Indenture for the 2019 Bonds (as such terms are defined in Note 5). Such accounts are classified as restricted assets and consist of investments in U.S. Treasury Securities. Accounts funded under the Indenture are held as trust assets in the Corporation’s name by The Bank of New York Mellon, as the Corporation’s trustee and custodian under the Indenture.

The Corporation’s permitted investments under the Indenture include: (i) obligations to which the faith and credit of the U.S. government are pledged; (ii) obligations, the payment of the principal of and interest on which are unconditionally guaranteed by the U.S. government; (iii) direct and general obligations of any state or political subdivision provided that such obligations are rated in either of the two highest rating categories by Moody’s Investors Service (“Moody’s”); (iv) bonds, debentures, participation certificates or notes issued by entities named in the Indenture (including Federal Home Loan Banks, Fannie Mae, Ginnie Mae or Freddie Mac); (v) Public Housing Bonds, Temporary Notes or Preliminary Loan Notes fully secured by contracts with the United States; (vi) certificates of deposit issued by banks in the State of New York having capital stock and surplus of more than \$50 million and rated at least A by Moody’s and another nationally recognized rating agency, or fully secured by direct obligations of or obligations guaranteed by the U.S. government; (vii) repurchase agreements secured by any one or more of the securities described in clauses (i) through (iv) above; (viii) obligations of any corporation organized under the laws of any state in the United States maturing within two-hundred-seventy days, rated by at least two of Moody’s, S&P and Fitch as P-1, A-1+ and F-1, respectively; (ix) banker’s acceptances maturing within ninety days rated by at least two of Moody’s, S&P and Fitch as P-1, A-1+ and F-, respectively; and (x) money market mutual funds invested in obligations issued or guaranteed by the U.S. government or in obligations of agencies or instrumentalities of the U.S. where the payment of principal and interest is guaranteed by the U.S. government.

United Nations Development Corporation

Notes to Financial Statements

Total restricted assets held by the Corporation at December 31, 2024 and 2023 included in the statements of net position were as follows:

		December 31, 2024		Weighted average maturity (years) (a)
		Cost	Fair Value	
U.S. Treasury securities:				
Treasury Notes		\$ 67,477,035	\$ 67,786,988	1.14
	Total U.S. Treasury Securities	67,477,035	67,786,988	
	Total Investments	67,477,035	67,786,988	
Cash and cash equivalents		56,247,037	56,247,037	
Total restricted assets		\$ 123,724,072	\$ 124,034,025	

		December 31, 2023		Weighted average maturity (years) (a)
		Cost	Fair Value	
U.S. Treasury securities:				
Treasury Notes		\$ 69,920,765	\$ 69,946,005	1.21
	Total U.S. Treasury Securities	69,920,765	69,946,005	
	Total Investments	69,920,765	69,946,005	
Cash and cash equivalents		58,573,073	58,573,073	
Total restricted assets		\$ 128,493,838	\$ 128,519,078	

(a) Portfolio weighted average effective duration from the purchase date of investments.

The Corporation categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Corporation had the following recurring fair value measurements as of December 31, 2024 and 2023:

U.S. Treasury securities of \$67,786,988 and \$69,946,005, respectively, are valued using quoted market prices (Level 1 inputs).

United Nations Development Corporation

Notes to Financial Statements

4. Property and Equipment

Property and equipment consisted of the following as of December 31:

	Balance at January 1, <u>2024</u>	Additions <u>2024</u>	Deletions <u>2024</u>	Balance at December 31, <u>2024</u>
Nondepreciable Property and equipment				
Development in-progress	\$ 6,358,010	\$ 10,776,547	\$ -	\$ 17,134,557
Depreciable Property and equipment				
Land	3,823,597	-	-	3,823,597
Building and building improvements	184,527,620	2,001,588	-	186,529,208
Furniture, fixtures and equipment	1,689,602	19,050	-	1,708,652
	190,040,819	2,020,638	-	192,061,457
Less: accumulated depreciation and amortization	(153,644,672)	(6,493,968)	-	(160,138,640)
Lease assets being amortized, net	1,028,156	-	(411,262)	616,894
	37,424,303	(4,473,330)	(411,262)	32,539,711
Property and equipment, net	\$ 43,782,313	\$ 6,303,217	\$ (411,262)	\$ 49,674,268
	Balance at January 1, <u>2023</u>	Additions <u>2023</u>	Deletions <u>2023</u>	Balance at December 31, <u>2023</u>
Nondepreciable Property and equipment				
Development in-progress	\$ -	\$ 6,358,010	\$ -	\$ 6,358,010
Depreciable Property and equipment				
Land	3,823,597	-	-	3,823,597
Building and building improvements	180,287,016	4,240,604	-	184,527,620
Furniture, fixtures and equipment	1,613,862	75,740	-	1,689,602
	185,724,475	4,316,344	-	190,040,819
Less: accumulated depreciation and amortization	(147,217,634)	(6,427,038)	-	(153,644,672)
Lease assets being amortized, net	1,439,418	-	(411,262)	1,028,156
	39,946,259	(2,110,694)	(411,262)	37,424,303
Property and equipment, net	\$ 39,946,259	\$ 4,247,316	\$ (411,262)	\$ 43,782,313

The Corporation has completed planning and design work for the Project and expects to beg construction upon issuance of the 2025 Bonds.

Included in property and equipment are development-in-progress costs for the Project of \$17,134,557 and \$6,358,010 as of December 31, 2024 and 2023 respectively.

United Nations Development Corporation

Notes to Financial Statements

5. Long-Term Liabilities

Long-term liabilities as of December 31, 2024 and 2023 was as follows:

	Balance at January 1, <u>2023</u>	Additions/ Deletions <u>2023</u>	Balance at December 31, <u>2023</u>	Additions/ Deletions <u>2024</u>	Balance at December 31, <u>2024</u>
Bonds of 2019, Series A	\$ 25,785,000	\$ (5,985,000)	\$ 19,800,000	\$ (6,280,000)	\$ 13,520,000
Bonds of 1980, due August 1, 2025 at 8% interest, payable semi-annually	1,250,000	-	1,250,000	-	1,250,000
Bonds of 1978, due July 1, 2028 at 8% interest, payable semi-annually	287,500	-	287,500	-	287,500
	<u>27,322,500</u>	<u>(5,985,000)</u>	<u>21,337,500</u>	<u>(6,280,000)</u>	<u>15,057,500</u>
Add:					
Unamortized bond premium	<u>1,711,223</u>	<u>(731,685)</u>	<u>979,538</u>	<u>(536,737)</u>	<u>442,801</u>
	29,033,723	(6,716,685)	22,317,038	(6,816,737)	15,500,301
Lease liability	<u>1,507,742</u>	<u>(405,613)</u>	<u>1,102,129</u>	<u>(425,893)</u>	<u>676,236</u>
Less:					
Current portion of long-term debt	(5,985,000)	(295,000)	(6,280,000)	(315,000)	(6,595,000)
Bonds of 1980, due August 1, 2025 at	-	-	-	(1,250,000)	(1,250,000)
Current portion of lease liability	<u>(405,613)</u>	<u>(20,281)</u>	<u>(425,894)</u>	<u>(21,294)</u>	<u>(447,188)</u>
Long-term obligations, net of current portion	<u>\$ 24,150,852</u>	<u>\$ (7,437,579)</u>	<u>\$ 16,713,273</u>	<u>\$ (8,828,924)</u>	<u>\$ 7,884,349</u>

2019 Refunding Bonds, Series A

The 2019 Refunding Bonds, Series A (“2019 Bonds”) were issued on April 11, 2019 in the principal amount of \$42,085,000 and at a net premium of \$5,946,830. The 2019 Bonds were issued to refund the outstanding 2009 Refunding Bonds, Series A (the “2009 Bonds”) in order to reduce debt service. The 2019 Bonds bear interest at a fixed rate of 5% and have annual maturities from July 1, 2020 through July 2026. The refunding of the 2009 Bonds will reduce total debt service payments by \$17,473,325 and resulted in an economic gain of \$6,382,403, being the difference in the present value of the debt service between the 2009 Bonds and the 2019 Bonds.

The Corporation recognized a deferred inflow of resources of \$1,933,456 as a deferred gain on refunding, representing the difference in the carrying value of the refunded debt and the reacquisition price. This amount is deferred and amortized into interest expense over the shorter of the life of the refunded or refunding debt.

The 2019 Bonds were issued under an Amended and Restated Indenture of Trust dated as of April 11, 2019 (the “2019 Indenture”), between the Corporation and The Bank of New York Mellon, as Trustee. The net proceeds of the 2019 Bonds were used, together with other funds of the

United Nations Development Corporation

Notes to Financial Statements

Corporation, to redeem the 2009 Bonds on July 1, 2019. Amortization of the bond premium relating to the 2019 Bonds was \$536,737 for 2024 and \$731,685 for 2023, respectively.

Interest on the 2019 Bonds is payable semiannually on January 1 and July 1 at an interest rate of 5.00%. Interest expense is reflected at a constant effective yield (including amortization of premium). The 2019 Bonds are subject to mandatory annual redemption of stated principal amounts from July 2020 through July 2026.

The 2019 Bonds are collateralized by net revenues from Phases I, II and III and amounts in the funds and accounts held by the Trustee.

The Corporation incurred issuance costs of \$901,473 with respect to the 2019 Bonds.

The 2019 Indenture provides that in the event of a payment or other default as described thereunder, the Trustee may, and upon written request of the Bondholders of not less than 25% in aggregate principal amount of the Bonds then Outstanding, with respect to which such event of default has happened, shall proceed, to protect and enforce the rights of the Trustee and, to the full extent that the Holders of the Bonds themselves might do, the rights of the Bondholders under the laws of the State of New York or under the 2019 Indenture, by such suits, actions, or proceedings in equity or at law, either for the specific performance of any covenant or contract contained therein or in aid or execution of any power therein granted or for any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce the rights aforesaid and without limiting the generality of the foregoing, as the Trustee, being advised by counsel, shall deem most effectual to protect and insure the rights of the bondholders.

Bonds of 1980 and Bonds of 1978

The Bonds of 1980 and the Bonds of 1978 are special purpose revenue bonds which require payments of interest only to maturity of \$100,000 and \$23,000 per annum, respectively, until maturity and payment of the principal amount of these bonds in 2025 and 2028, respectively. Debt service on these bonds is senior to that of the 2019 Bonds and was senior to that of the 2009 Bonds.

Maturities of Long-Term Debt

The principal and interest payments on the Corporation's long-term debt are due as follows:

		Principal	Interest	Total
Year ending December 31,				
2025	\$	7,845,000	\$ 799,000	\$ 8,644,000
2026		6,925,000	369,250	7,294,250
2027		-	23,000	23,000
2028		287,500	23,000	310,500
	\$	<u>15,057,500</u>	<u>\$ 1,214,250</u>	<u>\$ 16,271,750</u>

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Notes to Financial Statements

6. Leases

As Lessee:

The City of New York

Under a lease agreement dated August 1, 1972, as amended (the “1972 Lease”), and a lease agreement dated May 8, 1981, as amended (the “1981 Lease” and together with the 1972 Lease, the “City Leases”), the Corporation leases from the City all of Phase I (excluding the hotel portion) and the underlying land, Phase II (but not the underlying land, which is leased under the Phase II Ground Lease referred to below), and Phase III and the underlying land. Rent payable to the City under the City Leases is subordinate to debt service on the 2019 Bonds, was subordinate to debt service on the 2009 Bonds prior to their redemption in July 2019 and was subordinate to debt service on the 2004 Bonds prior to their redemption in November 2009. The City Leases include the following provisions:

- The terms of the City Leases will continue until all bond obligations issued in connection with Phases I, II and III are paid, but not beyond December 18, 2071 for the 1972 Lease and May 7, 2080 for the 1981 Lease.
- The City Leases may be terminated at any time by the City, provided that the City purchases the Corporation’s interests under the City Leases for amounts at least sufficient to pay the Corporation’s bond obligations with respect to Phases I, II and III.
- The Corporation pays base rent to the City equivalent to full real estate taxes on the portions of One and Two UN Plaza not occupied by the UN, missions to the UN or used as a community facility. The Corporation’s base rent on account of Three UN Plaza is fixed at \$481,000 annually. Total base rent under the City Leases was \$1,734,217 and \$1,708,315 for the years ended December 31, 2024 and 2023, respectively.
- Rent is payable to the City only from revenues remaining after payment of operating expenses and other obligations, including debt service, of Phases I, II and III.
- In addition to the amounts described above, the Corporation is required to pay the City additional rent equal to ninety percent of Consolidated Surplus (as defined in the 1981 Lease). In general, the 1981 Lease defines Consolidated Surplus as revenues from the Corporation’s operations during the year, minus the amounts paid, set aside or placed in reserve in connection with the Corporation’s operations and to comply with the Corporation’s obligations, including debt service and other requirements under the Corporation’s financing documents. Under the 1981 Lease, approval of the Board of Directors is required to establish reserves not mandated by the Corporation’s financing documents and not required to pay other current obligations.
- In March 2025, for the year ended December 31, 2024, the Board of Directors established a reserve from 2024 revenues of \$6,910,171. In March 2024, for the year ended December 31, 2023, the Board established a reserve from 2023 revenues of \$3,451,657. The reserves, which were established under the 1981 Lease, are available for capital improvements at One and Two UN Plaza, tenant incentives under office space leases and for general corporate purposes. There was no Consolidated Surplus in 2024 and 2023 as a result, and therefore no additional rent was payable to the City for those years.

United Nations Development Corporation

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Phase II Ground Lease

The Corporation holds a 99-year ground leasehold expiring in 2079 from a private party on the land underlying Phase II. Annual rental payments of \$250,000 are payable by the Corporation through 2025. Annual rental payments after 2025 will be increased based on changes in the Consumer Price Index since February 1, 2014. The Corporation has an option, exercisable at any time between August 1, 2020 and July 31, 2025, to purchase the land underlying Phase II at fair market value on the exercise date, less the principal amount of the Bonds of 1980, as described in Note 5. At December 31, 2024, aggregate future minimum rentals under the ground lease approximated \$13,750,000, assuming the purchase option is not exercised by the Corporation.

The Corporation determined the net present value of the Three UN Plaza lease as of January 1, 2021 using a 5% interest rate, the Corporation's estimated borrowing rate, and reported a lease liability of \$676,236 and \$1,102,129 at December 31, 2024 and 2023, respectively. Total outflows related to the Three UN Plaza lease were \$481,000 for each of the years ended December 31, 2024 and 2023, respectively. Such outflows include interest on the lease liability, which is reported in other operating costs in the accompanying financial statements, of \$49,783 and \$70,317 for the years ended December 31, 2024 and 2023, respectively.

Base rental payments due under the Three UN Plaza lease are as follows for the years ending December 31:

Three UN -City Rent

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31,				
	2025	\$ 447,188	\$ 33,812	\$ 481,000
	2026	229,048	11,453	240,501
		<u>\$ 676,236</u>	<u>\$ 45,265</u>	<u>\$ 721,501</u>

The Corporation has recognized right-of-use lease assets relating to the base rents due under the Three UN Plaza lease. These assets are being amortized on a straight-line basis over the term of the lease.

Lease assets were as follows for the year ended December 31, 2024:

	Balance at January 1, <u>2024</u>	Additions <u>2024</u>	Deletions <u>2024</u>	Balance at December 31, <u>2024</u>
Lease assets	\$ 2,261,943	\$ -	\$ -	\$ 2,261,943
Less: accumulated amortization	(1,233,787)	(411,262)	-	(1,645,049)
Lease assets, net	<u>\$ 1,028,156</u>	<u>\$ (411,262)</u>	<u>\$ -</u>	<u>\$ 616,894</u>

United Nations Development Corporation

Notes to Financial Statements

Lease assets were as follows for the year ended December 31, 2023:

	Balance at January 1, <u>2023</u>	Additions <u>2023</u>	Deletions <u>2023</u>	Balance at December 31, <u>2023</u>
Lease assets	\$ 2,261,943	\$ -	\$ -	\$ 2,261,943
Less: accumulated amortization	(822,525)	(411,262)	-	(1,233,787)

As Lessor:

Phase I

The office space in One UN Plaza was leased principally to the UN and missions to the UN (the “One UN Plaza Leases”). The One UN Plaza lease from the Corporation to the UN, which originally expired on March 31, 2023, was amended and extended to April 30, 2025 for a portion of the space. The Corporation has entered into a new lease with the United Nations Development Programme (the “New UNDP Lease”) expiring in 2040, subject to two 5-year extension rights exercisable by UNDP. The New UNDP Lease will be effective upon closing of the 2025 Bonds. The remaining terms of other leases at One UN Plaza range from approximately four months to fifteen years (assuming no exercise of tenant renewal options). Fixed minimum rents under the One UN Plaza Leases, excluding operating expense escalations, will be approximately \$12.1 million in 2025, \$13.8 million in 2026, \$13.9 million in 2027, and \$13.6 million in 2028.

Phase II

The office space in Two UN Plaza is leased principally to the UN and missions to the UN. The Two UN Plaza lease from the Corporation to the UN, which originally expired on March 31, 2023, was extended to April 30, 2025 with the UN remaining in occupancy of all leased space. The Corporation has entered into a new lease with the UN (the “New UN Lease”) at Two UN Plaza expiring in 2040, subject to two 5-year extension rights exercisable by the UN. The New UN Lease will be effective upon closing of the 2025 Bonds. The remaining terms of other leases at Two UN Plaza range from approximately four months to fifteen years. Fixed minimum rents under the Two UN Plaza leases, excluding operating expense escalations, will be approximately \$19.5 million in 2025, \$23.2 million in 2026, \$23.3 million in 2027 and \$22.2 million in 2028.

The hotel space at Two UN Plaza is leased to the Hotel Operator for a term expiring in 2079, matching the term of the Phase II ground lease. The Hotel Operator is required to maintain the Hotel Unit, among other obligations concerning the Hotel Unit, and is responsible for all expenses at One UN Plaza that are allocable to the Hotel Unit, based on various criteria, depending upon the nature of the specific expense. These criteria include the square footage and hours of operation of the Office Unit and the Hotel Unit portions of One UN Plaza and other relevant factors.

Phase III

All rentable space in Three UN Plaza is leased to UNICEF under a lease expiring in 2026. The City has agreed to transfer title to Three UN Plaza to UNICEF in 2026 upon expiration of the lease

United Nations Development Corporation

Notes to Financial Statements

term, without any additional payment from UNICEF, if UNICEF maintains its world headquarters in the City and meets certain other conditions. As part of that agreement, the Corporation will transfer to the City its leasehold interest in Three UN Plaza. The lease with UNICEF is accounted for as a financed purchase.

UNICEF's annual base rent (excluding operating expense escalations) in 2024 and for each year through the lease termination date in 2026 will be approximately \$6.7 million. As of December 31, 2024 and 2023, the Corporation recognized lease receivables of \$6,606,371 and \$7,750,906, respectively. Such amounts were discounted to present value using the Corporation's estimated borrowing rate of 5%.

For the years ended December 31, 2024 and 2023, the Corporation recognized \$35,867,966 and \$37,703,626, respectively, in lease revenue and \$382,777 and \$741,421, respectively, in lease interest revenues from office space. Future base rent payments for office space due to the Corporation are as follows for the years ending December 31:

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31,				
	2025	\$ 1,239,175	\$ 330,318	\$ 1,569,493
	2026	1,320,275	268,359	1,588,634
	2027	1,406,646	202,346	1,608,992
	2028	451,786	132,014	583,800
	2029	487,730	109,425	597,155
	2030-2032	<u>1,700,759</u>	<u>174,228</u>	<u>1,874,987</u>
		<u>\$ 6,606,371</u>	<u>\$ 1,216,690</u>	<u>\$ 7,823,061</u>

Receivable from UNICEF

The components of the receivable from UNICEF as of December 31, 2024 and 2023 are as follows:

	December 31,	
	<u>2024</u>	<u>2023</u>
Total minimum lease payments to be received	\$ 9,784,466	\$ 16,307,444
Less: Unearned income	(1,098,739)	(2,956,298)
Less: Current portion of receivable	<u>(5,538,264)</u>	<u>(4,665,419)</u>
Total receivable from UNICEF (long-term)	<u>\$ 3,147,463</u>	<u>\$ 8,685,727</u>

7. Retirement Plans

The Corporation has a Simplified Employee Pension retirement plan ("SEP") covering employees of age 21 or over with one year or more of service, with all contributions thereunder being immediately vested. The Corporation's contributions are made directly to employee SEP accounts in amounts ranging from 12% to approximately 14% of base compensation. Contributions to the SEP plan were \$153,371 and \$169,965 for the years ended December 31, 2024 and 2023, respectively.

United Nations Development Corporation

Notes to Financial Statements

The Corporation also funds a deferred compensation plan for employees under Section 457(b) of the Internal Revenue Code. Contributions to the 457(b) Plan were \$101,904 and \$106,394 for the years ended December 31, 2024 and 2023, respectively.

United Nations Development Corporation
Supplemental Schedule of Phases I, II and III
Net Revenues in Excess of Debt Service Requirements

For the year ended December 31, 2024

	<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>	<u>Total</u>
Office Space				
Revenues and income from leases	\$ 8,910,817	\$ 19,942,083	\$ 7,209,309	\$ 36,062,209
Operating expenses	<u>(6,626,234)</u>	<u>(7,294,059)</u>	<u>(5,665,825)</u>	<u>(19,586,118)</u>
	\$ 2,284,583	\$ 12,648,024	\$ 1,543,484	\$ 16,476,091
Fee Income-Tenant Alteration Work			375,178	375,178
Other Income (Note A)	30,387	1,399,979	1,418	1,431,784
Interest Income	<u>2,076,610</u>	<u>2,076,610</u>	<u>1,038,304</u>	<u>5,191,524</u>
Gross Revenues	4,391,580	16,124,613	2,958,384	23,474,577
General and Administrative Expenses	(2,766,614)	(2,260,116)	(587,372)	(5,614,102)
Ground Rent		(250,000)		(250,000)
Interest Expense on the Bonds of 1978 and 1980		(123,000)		(123,000)
Real Estate Taxes to The City of New York	<u></u>	<u>(1,573,087)</u>	<u></u>	<u>(1,573,087)</u>
Net Revenues (Note B)	1,624,966	11,918,410	2,371,012	15,914,388
Base Rent to The City of New York (Note C)	(101,276)	(1,151,941)	(481,000)	(1,734,217)
Debt Service Requirements (Note D)	<u>(2,749,600)</u>	<u>(2,947,600)</u>	<u>(1,572,800)</u>	<u>(7,270,000)</u>
Net Revenues in Excess of Debt Service Requirements	<u>\$ (1,225,910)</u>	<u>\$ 7,818,869</u>	<u>\$ 317,212</u>	<u>\$ 6,910,171</u>

See Independent Auditors' Report and Notes to Supplemental Schedule.

United Nations Development Corporation

Notes to Supplemental Schedule

A. Other Income:

Phase II other income represents payment from the Hotel Operator of its proportionate share of ground rent, real estate taxes and rent to the City of New York.

B. Net Revenues:

Net revenues include interest income and all Phase I, II and III operating revenues and expenses, except for depreciation, amortization and interest expense on the 2019 Bonds. Operating revenues and base rent to the City of New York represent actual amounts owed pursuant to the leases rather than amounts recognized in the financial statements under GASB 87.

C. Base Rent to The City of New York:

Payments of base rent to The City of New York are subordinate to the Phase I, II and III debt service requirements and are allocated among Phase I, Phase II and Phase III in accordance with the provision of the City Leases.

D. Debt Service Requirements:

Debt service requirements include interest and principal payments on the 2019 Bonds.

APPENDIX H

PROPOSED FORM OF OPINION OF BOND COUNSEL

[Date of Delivery]

United Nations Development Corporation
Two United Nations Plaza
New York, New York 10017

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$365,000,000 aggregate principal amount of 2025 Bonds, Series A (Federally Taxable) (the “Bonds”) by the United Nations Development Corporation (the “Corporation”), a body corporate and politic constituting a public benefit corporation organized under the laws of the State of New York (the “State”).

The Bonds are issued under and pursuant to Chapter 345, Laws of New York, 1968, as amended (the “Act”), a resolution adopted by the Board of Directors of the Corporation on March 27, 2025 (the “Series Resolution”), and an Indenture of Trust, dated as of the date hereof, as supplemented, including as supplemented by the First Supplemental Indenture of Trust, dated as of the date hereof (collectively, the “Indenture”), by and between the Corporation and The Bank of New York Mellon, as trustee (the “Trustee”). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned in the Indenture.

The Bonds are part of an issue of bonds of the Corporation which the Corporation has established and created under the terms of the Indenture and is authorized to issue from time to time for the purposes authorized by the Indenture, as then in effect, and without limitation as to amount, except as provided in the Indenture, the Series Resolution or as may be limited by law. The Bonds are being issued to finance certain Capital Costs.

In connection with the issuance of the Bonds, the Corporation has entered into (i) a Leasehold Mortgage and Security Agreement and Fixture Filing (Acquisition Loan), (ii) a Leasehold Mortgage and Security Agreement and Fixture Filing (Building Loan) (the “Building Loan Mortgage”), and (iii) a Leasehold Mortgage and Security Agreement and Fixture Filing (Project Loan), each dated as of the date hereof, and each from the Corporation to the Trustee. Pursuant to certain provisions of the New York Lien Law, proceeds of the Bonds secured by the Building Loan Mortgage will be subject to the Building Loan Agreement, dated as of the date hereof (the “Building Loan Agreement”), between the Corporation and the Trustee. The Bonds are also secured by an Assignment of Leases and Rents, dated the date hereof, from the Corporation to the Trustee.

In addition, in connection with the issuance of the Bonds, the Corporation and The City of New York have entered into the City Backup Lease and the Support Agreement, each dated as of March 14, 2025.

The Bonds will mature on the dates and in the principal amounts, will bear interest at the respective rates per annum, and will be subject to redemption prior to maturity, all as set forth in the Indenture.

In rendering the opinions expressed herein, we have assumed that the parties will perform their respective covenants, agreements and obligations in and under the related agreements in all material respects.

We are of the opinion that:

1. The Corporation is a public benefit corporation duly organized and existing under the laws of the State, and is authorized under the laws of the State, particularly the Act, to enter into the Indenture and to issue the Bonds.

2. The Indenture has been duly authorized, executed and delivered by the Corporation and is the legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms.

3. The Indenture creates the valid pledge of Revenues as defined in the Indenture that it purports to create, subject only to the provisions of the Indenture permitting the withdrawal, payment or setting apart of such Revenues for the purposes and on the terms and conditions set forth in the Indenture.

4. The Bonds have been duly and validly authorized and issued in accordance with the laws of the State, and in accordance with the Indenture. The Bonds are legal, valid and binding special obligations of the Corporation payable as provided in the Indenture and are enforceable in accordance with their terms and the terms of the Indenture.

5. Interest on the Bonds is not excluded from gross income for federal income tax.

6. Interest on the Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

The opinions contained in paragraphs 2 and 4 above are qualified to the extent that the enforceability of the Indenture and the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy.

Except as stated in paragraphs 5 and 6 above, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to Bonds or the proceeds thereof upon the advice or approval of other counsel.

In connection with the delivery of this opinion, we are not passing upon the authorization, execution and delivery of any document or agreement by any party other than the Corporation. We have assumed the due authorization, execution and delivery of the Indenture by the Trustee.

This opinion letter is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion letter is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion letter to reflect any future actions, facts or circumstances that may hereafter come to our

attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any reason whatsoever.

Very truly yours,

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APPENDIX I

CORPORATION CONTINUING DISCLOSURE UNDERTAKING

The following is a summary of certain provisions of the First Supplemental Indenture setting forth certain continuing disclosure obligations of the Corporation (as defined in the Indenture and summarized below, the “Undertaking”). Reference is made to the First Supplemental Indenture for a complete recital thereof. All terms used and not otherwise defined herein are used as defined in the Indenture.

The Undertaking

(A) The Corporation covenants, for the sole benefit of the Owners (and, to the extent specified in the Indenture and described in this Appendix I, the Beneficial Owners) of the Outstanding 2025 Bonds and subject (except to the extent otherwise expressly provided in the Indenture, as described in Appendix A) to the remedial provisions of the Indenture, that the Corporation shall provide:

(a) within 185 days after the end of each fiscal year, to Electronic Municipal Market Access system (“EMMA”) (<http://emma.msrb.org>) established by the Municipal Securities Rulemaking Board (“MSRB”), the Corporation’s audited financial statements, prepared in accordance with generally accepted accounting principles in effect from time to time, and, either include in a supplemental schedule to such audited financial statements or in a separate annual disclosure filing, an update of the tables in the Official Statement with respect to the 2025 Bonds (the “2025 Official Statement”) under “THE NEW LEASES” and an update of Schedule 2 to the 2025 Official Statement with historical debt service coverage for each completed Bond Year as of such date using the same line items as set forth in Schedule 2; and

(b) to EMMA in a timely manner, not in excess of ten business days after the occurrence of each event, notice of any of the following events:

(1) the transfer of title of the Three UN Plaza Building to UNICEF or the United Nations following expiration of the UNICEF Lease;

(2) a copy of the notice the Corporation delivers to the City under the Backup Lease detailing each Backup Lease Commencement Event (as defined in the Backup Lease); and

(3) a copy of the Deficiency Notice and related request to the Mayor to seek an appropriation from the City Council that the Corporation delivers to the City under the Support Agreement detailing each Support Event thereunder;

(c) to EMMA in a timely manner, not in excess of ten business days after the occurrence of each event, notice of any of the following events with respect to the 2025 Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

- (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the 2025 Bonds ;
 - (7) modifications to rights of Owners, if material;
 - (8) bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution or sale of property securing repayment of the 2025 Bonds , if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the Corporation;
 - (13) consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all of substantially all of the assets of the Corporation, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
 - (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
 - (15) incurrence of a financial obligation of the Corporation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Corporation, any of which affect Owners, if material*;
 - (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Corporation, any of which reflect financial difficulties*; and
 - (17) failure to comply with clause (a) or (b) above.
- (B) The Corporation does not undertake to provide such notice with respect to credit enhancement if (1) the enhancement is added after the primary offering of the 2025 Bonds, (2) the Corporation does not apply for or participate in obtaining the enhancement and (3) the enhancement is not described in the 2025 Official Statement.

* For purposes of the events identified in Sections (b)(15) and (16) above, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(C) Any Beneficial Owner of 2025 Bonds described in the Indenture may bring a Proceeding to enforce the Undertaking 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 as specified in the Act, and for the equal benefit of all such owners of the Outstanding Bonds benefited by the same or a substantially similar continuing disclosure undertaking. Violation by the Corporation of the Undertaking shall not constitute an Event of Default or an event which with the giving of notice or the passage of time or both would constitute an Event of Default and the Trustee shall have no responsibility for enforcing compliance with the Undertaking.

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

(a) if all or any part of the Rule, as interpreted by the staff of the SEC at the date of delivery of the 2025 Bonds, ceases to be in effect for any reason and the Corporation elects that the Undertaking shall be deemed terminated or amended (as the case may be) accordingly, or

(b) if: (i) 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, (ii) the Undertaking, as amended, would have complied with the requirements of the Rule at the date of delivery of the 2025 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (iii) the amendment does not materially impair the interests of the Owners of the 2025 Bonds, as determined by parties unaffiliated with the Corporation (such as, but without limitation, the Corporation's financial advisor or bond counsel) or as determined by Owner consent pursuant to the Indenture, and (iv) 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.

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APPENDIX J

CITY CONTINUING DISCLOSURE AGREEMENT

United Nations Development Corporation
(A Public Benefit Corporation of The State of New York)
2025 Bonds, Series A (Federally Taxable)

CONTINUING DISCLOSURE AGREEMENT

To the extent that 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”), requires the respective underwriters of United Nations Development Corporation’s 2025 Bonds, Series A (Federally Taxable) (the “Bonds”) to determine, as a condition to purchasing the Bonds, that The City of New York (the “City”) will covenant to the effect of this agreement (this “Undertaking”), and the Rule as so applied is authorized by a Federal law that as so construed is within the powers of Congress, the City agrees with the record and beneficial owners from time to time of the Outstanding Bonds (the “Bondholders”) that:

1. (a) The City, acting by and through the authorized representative signing below (the “Representative”), hereby undertakes, for the benefit of the Bondholders, to provide, no later than 185 days after the end of each of its fiscal years during which the Bonds are Outstanding (as defined in the Indenture), commencing with the fiscal year ending June 30, 2025, to the MSRB through its Electronic Municipal Market Access system, or any successor nationally recognized municipal securities information repositories recognized by the Securities and Exchange Commission for the purposes referred to in the Rule (the “EMMA System”), the City Annual Information (as defined below) relating to such fiscal year.

(b) It shall be sufficient for purposes of this Section if the City provides the City Annual Information required by Section 1(a) above by specific reference to documents previously provided to the MSRB through its EMMA System. The City Annual Information required by Section 1(a) may be provided in one document or multiple documents, and at one time or in part from time to time, and may be provided by delivery of an official statement which includes such information. The City expects to provide the City Annual Information by delivering its first bond official statement that includes its financial statements for the preceding fiscal year, provided that if the inclusion or format of such information described in clause (b) of Section 2(a)(i) is changed or new information is added to such sections in any future City official statement thereafter, the information provided to the EMMA System will contain or include by reference information of the type included in such future City official statement as so changed or added.

(c) The City, acting by and through the Representative, hereby undertakes, for the benefit of the Bondholders, to provide, in a timely manner not in excess of ten business days after the occurrence of any event described below, notice to the EMMA System, of any of the following events:

- (1) bankruptcy, insolvency, receivership or similar event of the City; which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of

reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City; and

- (2) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

2. (a) *City Annual Information*

The City Annual Information shall consist of:

(i) core financial information and operating data for the prior fiscal year, including (a) the City's audited basic financial statements, prepared in accordance with GAAP in effect from time to time, and (b) material historical quantitative data on the City's revenues, expenditures, financial operations and indebtedness generally of the type found in the City's disclosure entitled "Certain Information Concerning The City of New York" found in the Official Statement, dated April 22, 2025 relating to the Bonds (the "Official Statement"), in Sections V, VII, IX and X, and under the caption "2020–2024 Summary of Operations" in Section VI of Appendix L. The City may use the City's Official Statement relating to its General Obligation bonds when available to satisfy this requirement; and

(ii) such narrative explanation as the City deems necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data and in judging the financial condition of the City.

(b) *General Categories of Information Provided*

The requirements contained in this Undertaking under this Section 2 are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of Section 2(a) call for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided.

3. No Bondholder may institute any suit, action or proceeding at law or in equity ("Proceeding") for the enforcement of any covenant herein or for any remedy for breach thereof, unless such Bondholder shall have filed with the Corporation Counsel of the City evidence of ownership and a written notice of and request to cure such breach, and the City shall have refused to comply within a reasonable time. All Proceedings shall be instituted only as specified herein, in the Federal or State courts located in the Borough of Manhattan, State and City of New York, and for the equal benefit of all holders of the outstanding bonds benefited by the same or a substantially similar covenant, and no remedy shall be sought or granted other than specific performance of the covenant at issue.

4. An amendment to this Undertaking may only take effect 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 City, or type of business conducted; this Undertaking, as amended, would have complied with the requirements of the Rule at the time of award of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and the amendment does not materially impair the interests

of Bondholders, as determined by parties unaffiliated with the City (such as, but without limitation, the City's financial advisor or bond counsel); and 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 SEC staff 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; or

(b) 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 City elects that this Undertaking shall be deemed terminated or amended (as the case may be) accordingly.

5. (a) For the purposes of this Undertaking, 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:

- (i) the pledge agreement is bona fide;
- (ii) the pledgee is:
 - (A) a broker or dealer registered under section 15 of the 1934 Act;
 - (B) a bank as defined in section 3(a)(6) of the 1934 Act;
 - (C) an insurance company as defined in section 3(a)(19) of the 1934 Act;
 - (D) an investment company registered under section 8 of the Investment Company Act of 1940;
 - (E) an investment adviser registered under section 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 (ii) 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 (ii); and
- (iii) 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 section 15 of the 1934 Act.

(b) Any assertion of beneficial ownership must be filed, with full documentary support, as part of the written request described in paragraph 2 hereof.

6. Terms not defined herein are used herein as they are used in the Official Statement or the Rule.

Dated: [Closing Date]

THE CITY OF NEW YORK

By: _____
Name:
Title: Authorized Signatory

Approved as to Form:

By: _____
Acting Corporation Counsel

APPENDIX K

CONSTRUCTION AND PROPERTY CONDITION REPORT

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27-420

April 2025

Robert B. Cole
Executive Vice President & General Counsel
United Nations Development Corporation
Two UN Plaza, 27th Floor
New York, NY 10017

E-mail: RCole@undc.org

**Re: UN Plaza Buildings
New York, New York**

Dear Robert Cole:

Enclosed is our Review Report for the referenced project, including our cost analysis of the UNDC Budget. Our report is based on the review of project plans, specifications, and other construction-related documents, as well as conversations or correspondence with the Developer, Professionals of Record, or Owner's Representative.

Please refer to **Section II - "Executive Summary"** for a brief overview of our comments, and our opinions and recommendations. A complete discussion regarding the documents submitted is provided in the report text.

If you have any questions regarding this report, please call Paulie Jospeh, who will serve as your Project Manager, or me.

Very truly yours,

JONES LANG LASALLE AMERICAS, INC. ("JLL")

William Murawski, P.E.
Vice President, Projects

PR/RO:WJM:LP
Enclosure

cc: JLL NY Internal, Edward J. Bellavigna, Margaret Asimakis, Paulie Joseph

REVIEW REPORT
OF
PLANS, SPECIFICATIONS, AND
CONSTRUCTION-RELATED DOCUMENTS

For

ONE AND TWO UNITED NATIONS PLAZA
NEW YORK, NEW YORK 10017



Prepared For

UNITED NATIONS DEVELOPMENT CORPORATION
Two UN Plaza, 27th Floor
New York, NY 10017

Prepared By

JONES LANG LASALLE AMERICAS, INC. (“JLL”)
330 MADISON AVENUE
NEW YORK, NEW YORK 10017-5001

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SECTION I - IDENTIFICATION

Client:	United Nations Development Corporation Two United Nations Plaza, 27 th Floor New York, New York 10017 Robert Cole, <i>Executive Vice President and General Counsel</i> E-mail: RCole@undc.org
Developer:	United Nations Development Corporation Two United Nations Plaza, 27 th Floor New York, New York 10017 Robert Cole, <i>Executive Vice President and General Counsel</i> E-mail: RCole@undc.org
Project Manager:	Cushman & Wakefield 1290 Avenue of the Americas, 8 th Floor New York, NY 10104 Adalgisa Zeppetelli, <i>Sr. Project Manager</i> E-mail: Adalgisa.Zeppetelli@cushwake.com
Project Name:	One and Two United Nations Plaza Repositioning
Project Location:	One and Two United Nations Plaza, New York, New York 10017
Improvements:	The scope of the project, in general, consists of the renovation of two commercial high-rise office buildings in Midtown Manhattan. Renovations are to include comprehensive replacement and modernization of 50-year-old mechanical systems, a ‘white box’ refreshment of core and shell finishes, security hardening of exterior glazing systems and miscellaneous interior and ADA improvements.
JLL Preparers:	Hayes Brown <i>Senior Manager, Projects</i> William Murawski, P.E. <i>Vice President, Projects</i> Erin McLeod, P.E. <i>Senior Manager, Projects</i> Phil Ragland, AIA <i>Senior Manager, Projects</i> Rita O’Grady <i>Senior Manager, Projects</i> Carmine Carpentier, AIA, LEED AP <i>Vice President, Projects</i>

Limiting Conditions:

Possession of this report does not imply the right to publication, nor may it be used for any purpose by anyone but our client who this report is addressed to, without the prior written consent and approval of JLL, and in any event, only in its entirety. Should the report be used in connection with a sales transaction, parties to such a transaction, other than our client who this report is addressed to, are not entitled to rely upon the information contained within the report, except as a preliminary source of data. Such parties are responsible for their own independent professional due diligence.

It is not the intent of JLL to assume any part of the design responsibility but, rather, to report our findings to our client to whom this report is addressed.

SECTION II - EXECUTIVE SUMMARY

This section is intended to provide you with a brief overview of the project. Please read the entire report for further understanding of the project, our comments, and our opinions and recommendations.

Completeness of Plans and Specifications

The current 100% CD documents submitted (1 UNP Make Ready, 1 UNP Central Plant, 2 UNP Make Ready, 2 UNP Central Plant, 1 + 2 UNP Façade, and 1 + 2 UNP Prop Mgmt Office & Common Area Refresh) are developed sets and are adequate for bidding and construction purposes.

An updated “Bulletin 1” set for 1 + 2 UNP dated December 6, 2024 has been provided for review.

Please refer to our comments in **Section VI - "Comments"** for a list of our specific concerns. A copy of the comments will be forwarded to the Developer for resolution.

Quality of the Systems and Materials

Based upon the drawings submitted to date, it is our opinion that the construction components and materials specified will provide an adequate level of quality for a project of this type and scope.

Scheduled Date of Completion

A pair of revised updated Construction Schedules for the project were shared for this review. They are entitled “UNDC 1+2 UNP Repositioning Master Schedule INTERNAL” and “UNDC 1+2 UNP Repositioning Summary Schedule INTERNAL” both are dated December 18, 2024. The Master Schedule is 58-pages long and the Summary Schedule is 2-pages long. The schedules are attached.

The schedules indicate a start date of August 07, 2023 and finish date of January 14, 2030.

It is our opinion, the 77-month projected term for the two buildings is reasonable for a project of this type and scope, provided adequate manpower is to be maintained throughout the construction term, and there are no delays caused by weather, strikes, material shortages, supply chain issues or other unexpected circumstances, or potential future forced shutdowns due to public health mandates.

Summary of Project Hard and Soft Costs

We have reviewed the UNDC Project Budget Hard and Soft Costs that totals **\$231,828,935** based on the documents submitted and attached to this report. This Budget includes both Hard and Soft Costs associated with the project, with a Developer’s Hard Cost Contingency of \$14,400,000 (7.9%), to provide for any changes in the scope (upgrades), unforeseen conditions and further development of the drawings and a Soft Cost Contingency of \$3,500,000 (10.7%).

The current budget also includes a Contractor's Construction Contingency totaling \$4,549,838 (2.6% of Estimate, or 3% of the Direct Work), to provide for any Subcontractor buy-out overruns, scope missed in the buy-out and General Conditions additional costs.

We noted Building 1-UNP contained additional items of work including:

- Partial new roofing
- Signature Lobby Renovation
- Storm Water Risers
- Chillers/Cooling Tower/VAV Boxes
- Generator/Lighting/Telecom/Electric Closets.

This reports Contractor's General Conditions line item also contains the Contractor's costs for General Construction, Sidewalk Bridge, Scaffolding, Schedule Changes, Escalation, Logistics, SDI & CCIP Insurance.

The Hard Cost Budget totals \$195,754,229 and includes a Developer's Hard Cost Contingency of \$14,400,000 (7.9%). We have found the current Hard Cost Budget line items we reviewed are within an acceptable range of our anticipated cost, excluding Contingency.

The Soft Cost Budget totals \$36,074,706 and includes a Soft Cost Contingency of \$3,500,000 (10.7%). We have found the current Soft Cost Budget line items based primarily on Proposals & Agreements appear reasonable, excluding Contingency.

Based on the scope of work reviewed and the previously noted stage of development, together with the marginal variance between the Developer's estimate and our analysis values it is our opinion that the Hard & Soft Cost Project Budget of \$231,828,935 appears reasonable, and their respective Current Contingencies of 7.9% and 10.7%, at this time should be adequate to provide for unforeseen increases that develop during the construction of any project.

We have not considered any scope changes in our opinions of the reasonableness of the aforesaid Contingencies and as we do not opine on the sufficiency of certain Development, Financing and Acquisition Costs.

Please refer to **Section VII – "Construction Cost Review"** for further comment on the budget provided. Please note that our analysis does not include any costs associated with environmental, hazardous materials, or soft costs.

Open Issues

The following documents remain outstanding and should be submitted once they are available:

None. All previously requested documents have been provided.

Please refer to **Section VI - "Comments on Documents"** for a complete list of documents that remain outstanding as well as specific comments generated by our review that we request the Developer have the Professionals of Record address.

SECTION III - SCOPE DESCRIPTION

SITE

No documents pertaining to site or civil work were submitted.

Location

The project is located between East 44th and 45th Streets immediately west of First Avenue. One UN Plaza and Two UN Plaza are also known as 787 First Avenue (a.k.a. 335 East 44th Street) New York, New York 10017.

The project site is identified as Block 1337, Lot 7502

Zoning

The property, according to the documents, is within Zoning District C 5-2, U (the 'U' designates the property is within the United Nations Special Purpose District). Portions of the building operated by the UNDC are exempt from certain zoning provisions.

Boundaries

The property is bounded by East 45th Street and an existing building to the north, by First Avenue to the east, East 44th Street to the south and by existing buildings to the west.

Shape/Area

The property is a rectangular shaped block-through lot with a notched corner to the northeast with a total area of 17,566 sq. ft. The property has frontages on East 44th Street, East 45th Street and First Avenue. The buildings cover the entire lot.

Existing Conditions

The buildings are filed as a single 39-story at the Department of Buildings. The steel-framed, fire-proof building is clad with a metal and glass curtain wall. The building features glass canopies at the East 44th Street hotel and office entrances; a third entrance is on First Avenue. A multi-bay loading dock and outdoor children's playground are at the East 45th Street elevation.

There are concrete sidewalks at the north, south and east site perimeter. The First Avenue dedicated bike lane borders the east sidewalk.

It should be noted that, according to municipal records, The Hotel Ambassador Grille and Lobby only at 1 and 2 United Nations Plaza are designated local landmarks designed by architect Kevin Roche and completed in 1976.

We further note that the neighboring northeast building is occupied by the Permanent Mission of The United States to the UN.

<i>Easements</i>	The existence of easements or encroachments could not be determined from the documents received.
<i>Wetlands/100-Year Flood</i>	<p>Based on FEMA Flood Map 3604970088F, effective September 5, 2007, the project area is in Zone X (unshaded).</p> <p>Zone “X” (unshaded) is defined as areas of minimal flood hazard.</p>
<i>Topography</i>	The site is relatively flat, fully developed urban land.
<i>Site Access</i>	The 2 office lobbies are accessed from East 44 th Street and First Avenue, respectively. The transient hotel is accessed from East 44 th Street.
<i>Parking</i>	<p>No existing or proposed parking (off-street) was indicated on the documents received.</p> <p>Bicycle parking is part of the repositioning scope of work and indoor spaces will be provided in a new bike storage room.</p>
<i>Loading Berths</i>	The building has existing loading berths; the documents reference select improvements to the loading dock.
<i>Site Improvements</i>	<p>Site improvements will include restoration of the sidewalk and vault on the north side of 2 UNP along E 45th Street.</p> <p>The replaced wire reinforced concrete topping slab assembly (with waterproofing) is indicated to vary from 4” to 11 ½”.</p> <p>The replaced sidewalk will be 6” thick wire reinforced concrete.</p> <p>Existing granite parapets, paver assembly at building entrance, as well as wall panels under windows will be replaced as necessary.</p> <p>Granite panels will be reset along loading dock walls as necessary.</p> <p>Existing granite coping and steel guardrails will be reinstalled.</p>
<i>Landscaping</i>	No landscaping was indicated.
<i>Irrigation</i>	No automatic irrigation systems were indicated.
<i>Site Lighting</i>	The canopy on 44 th street and 1 st Avenue has existing downlighting to illuminate perimeter sidewalks. Street pole lighting is existing on First Avenue.

Environmental

JLL does not perform consulting relating to wetlands, asbestos, or hazardous materials, claims no expertise in these areas, and can assume no liability for the work, opinions, or reports of any other independent consulting firms engaged to do so.

SITE UTILITIES

Service Utilities

Utility services are provided to the building from underground connections from beneath 44th Street and 1st Avenue.

*Storm and Sanitary
Systems*

Each building is provided with a combined sewer service with a connection from the building to an existing sewer manhole in 44th Street. Drains are scheduled to be installed throughout the plaza, with connections to the utility made via a sidewalk vault.

Water Service

An existing 6" domestic water service and two 6" fire protection water services are installed from a NYCDEP water main located in 44th Street.

*Electrical/
Telecommunications*

Underground electrical service is provided to each building in the form of 277/480-volt, 3 phase, 4 wire electricity. 1 UN Plaza has three incoming 4,000 Amp services, and UN Plaza 2 has two 4,000 Amp services.

The building will be provided with telecommunication service from various providers with cable and fiber optic wiring to a basement main distribution frame (MDF) room.

Steam

An existing 6" high pressure steam line is to be maintained and used for heat in air handling units and fan coil units located in 1st Avenue.

STRUCTURAL*Project Description*

The project is specified to consist of improvements to 1 and 2 United Nations Plaza (UNP).

For 1 UNP, the structural scope is specified to consist of the infill of the dumbwaiter shaft below the 26th floor, new steel channels to support the new openings for the storm water risers, and new equipment pads and dunnage framing to support the new chiller and cooling towers at the 39th floor and low roof.

For 2 UNP, the structural scope is specified to consist of infill of the dumbwaiter shaft from the 2nd to 25th floors and support of condenser water piping.

General Status of plans

Structural Plans were professionally prepared by Gilsanz Murray Steficek LLP (GMS) of New York, New York.

The Make Ready drawings for 1 UN Plaza and 2 UN Plaza and Central Plant Drawings for 1 UN Plaza and 2 UN Plaza were provided, all marked "Bulletin 1 – Issue for Construction" and dated December 6, 2024.

The drawings are neither signed nor sealed by a professional engineer licensed in the State of New York which is typically done for Department of Building (DOB) filing and drawing submission. It should be noted, reportedly, the UNDC is exempt from filing with the DOB, but all documentation will be prepared to meet DOB filing requirements.

Code

New York City Building Code Latest Amended Edition and All Other Governing Codes

*Structural Improvements***Make Ready Sets**

The scope of work for the Make Ready Set for 1 UNP consists of the infill of a dumbwaiter shaft below the 26th floor with steel framing and composite concrete slabs over metal deck. New C6x8.2 members are specified to span between existing steel beams to support the new slabs. The infill slabs are specified to consist of a 3" deep, 18-gauge composite metal deck with 3 1/4" light weight concrete.

The scope of work for the Make Ready Set for 2 UNP consists of the infill of a dumbwaiter shaft between the 2nd and 25th floors with steel framing and composite concrete slabs over metal deck. New W8x10 members are specified to span between existing steel beams to support the new slabs. The infill slabs are specified to consist of a 3" deep, 18-gauge composite metal deck with 2 ½" light weight concrete. Additionally, new steel framing, or steel reinforcement to existing wide flange framing is specified to support the load imposed by new condenser water piping at the 3rd, 12th, 14th, and 28th floors. In addition, new steel channels are specified to support the condenser water riser at every other floor between the 3rd to 27th floor.

Storm Water Riser Replacement

The structural scope associated with the storm riser replacement is specified to consist of the addition of steel channels adjacent to the pipe openings at the 2nd through 27th floors. The channels are typically specified to be C6x8.2. At the 25th and 26th floors, the channels are typically specified to be MC6x15.1 or MC6x15.3.

Chiller and Cooling Tower Replacement

The structural scope associated with the chiller and cooling tower replacement at 1UNP is specified to consist of the construction of new concrete equipment pads at the 39th floor, new steel dunnage framing to support the cooling tower at the low roof and dunnage level, and the removal and reconstruction of a slab for temporary access at the low roof.

At the low roof, new W12 steel beams are specified to span between the existing W30 or W33 beams and support new W8 posts and for the cooling towers between each of the cooling cells. At the dunnage level, new W12 steel beams are specified to provide framing around the cooling towers. Kicker braces are specified at each of the transverse W12 members including one existing W12 member.

A slab between Gridlines A and B at the low roof is specified to be removed for temporary access to the chiller on the 39th floor. The slab is specified to be reconstructed with W12 members spanning between existing steel members. The slab infill is specified to consist of a 3" deep, 18-gauge composite metal deck with 8" of light weight concrete. The concrete is specified to be reinforced with #5 bars spaced at 9" on center, and 6x6 W2.9xW2.9 welded wire fencing.

Central Plant

The structural scope at the 1UNP Central Plant includes new structural framing for openings at the first and second floors. The new structural framing is typically specified to consist of W8x15 members. The openings are specified to consist of a new conduit and fuel oil line masonry shaft with 8" CMU on the east and west sides and 6" CMU on the north and south sides. A 6" concrete slab is specified at the top of the masonry shaft at the second floor.

At the 4th Floor, new W12 steel beams are specified to support the new steel posts of the emergency generator platform above. The existing W14 steel beams supporting the new posts are specified to be reinforced with WT members.

The new Emergency Generator Dunnage is specified to consist of W12x26 steel members at the generator enclosure. The surrounding platform is specified to consist of new welded steel grating supported by existing C8x13.75 members.

At the 39th Floor, Low Roof, and Dunnage and Catwalk levels, new steel framing is specified to support new mechanical equipment. The steel framing is typically specified to consist of W8x31 or W12 members spanning to new W8 posts or existing steel framing.

Lateral Loads

Wind loads were provided for the Central Plant only.

4 th Floor Roof	40 psf
	Design Wind speed 117 mph
Low Roof	54 PSF
	Design Wind Speed 117 mph

Live Loads

Design live loads were provided for the Central Plant only.

4 th Floor Roof	50 psf
39 th Floor Mechanical Room	100 psf
Low Roof	100 psf
Dumbwaiter Shaft Infill	50 psf

Standards

The minimum allowable stresses or standards shown on the drawings are consistent with standard practice.

Design concrete strengths at 28 days, as prescribed on the design documents, are as follows:

Interior Concrete and Misc. Fill 4,000 psi

*Engineering Supervision/
Testing*

The Structural Notes call for Special Inspections conforming to the New York City Building Code by an independent agency hired by the Owner. The owner was specified to engage and pay for a special inspector and an independent testing agency to perform the following special inspections and testing:

Make Ready 1 UNP & 2 UNP:

- Concrete – Cast-In-Place
- Post Installed Anchors
- Structural Steel - Welding
- Structural Steel - Details
- Structural Steel – High Strength Bolting

Central Plant:

- Structural Steel - Welding
- Structural Steel - Details
- Structural Steel – High Strength Bolting
- Concrete – Cast-in-Place
- Structural Stability – Existing Buildings
- Post Installed Anchors

ARCHITECTURAL*Description*

The scope of the project, in general, consists primarily of upgrades to building mechanical, electrical, plumbing and telecommunications systems. Limited architectural scope for office and signature lobby upgrades, core and shell upgrades, bike room and storefront installation, ADA compliance, fire code compliance and signage upgrades are proposed. The most significant portion of the architectural scope will be the application of blast-resistant window film to the buildings' glazing systems.

Demolition

There will be substantial removals of the building's mechanical systems in advance and in parallel with the new scope of work. Selective removals will be required for base building/ common area upgrades, and various other specific area upgrades within the two buildings (for example, i.e., bike room, Landlord Offices, shared loading docks and common corridors, skybridges).

Exterior walls and glazing systems of 1 and 2 UN Plaza will undergo selective replacement under the current scope of work.

1 UNP

The current 1 UN Plaza Drawings indicate demolition of dumbwaiter and all equipment and supports (all floors), removal of freight vestibule finishes (gypsum and ACT ceiling), removal of core exit signs, drinking fountains, metal doors, frames, where noted, and removal of existing aluminum fascia shade pockets and shades at perimeter walls typically, throughout all floors.

In addition, 1 UN Plaza Drawings indicate the demolition of the core bathrooms down to concrete slab (including accessories, toilet partitions, fixtures, capping of plumbing lines, etc.), and the existing tenant partitions, floor and ceiling finishes throughout floors 16-24.

The 1 UNP addendum drawings indicate similar tenant floor demolition at 3rd, 6th, 11th floors and partial west side demolition at 25th floor, with 3rd and 11th floor core toilets to remain.

Existing finishes in the 3rd and 11th floor skybridges linking the two buildings will be removed.

2 UNP

The current 2 UN Plaza drawings indicate demolition of dumbwaiter and all equipment and supports (all floors), removal of core exit signs, drinking fountains, metal doors, frames, where noted, and removal of existing aluminum fascia shade pockets and shades at perimeter walls typically, throughout all floors.

In addition, 2 UN Plaza Drawings indicate the demolition of the existing tenant partitions, floor and ceiling finishes throughout, all floors 2, 4-26, and the demolition of the existing pantry at the 26th floor. All core toilets are shown to remain.

1 and 2 UNP

Floor duct wiring, covers, will be removed at floors indicated, and filled with light weight concrete flush with slab.

All existing interior curtain wall mullions along perimeter walls will be checked for holes and repaired.

The exterior, perimeter, and core walls, slabs and structural elements are to remain and maintain the fire rating. Elevators, lobbies, stairwells are to be protected. Core walls, exterior walls, columns fur-outs are to be protected. Damaged walls to be patched. Any floor poke-throughs are to be infilled.

The existing housekeeping pads in the new basement tank room at 1 UNP are to be removed.

Demolition drawings were provided for the interior demolition of the former School Space on the 1st and mezzanine floors of 2 UNP. The drawings call for the removal of all interior partitions, water fountains, wash stations, restroom fixtures and finishes, floor finishes, thermostats, tile ceilings and grids, shades and shade mounting hardware, metal shade fascia, pantry and pantry sink (all plumbing to be capped). The branch sprinkler system is to be removed and replaced with a temporary loop. Temporary lighting is to be provided and existing mechanical, electrical and plumbing equipment is to be removed. All core and perimeter walls are to remain in the School Space. Lighting fixtures and fire alarm devices are to be salvaged. The School Space drawings also call for the removal of all fixtures and appurtenances from the 2nd floor roof terrace.

General Layout and Scope

The existing core and shell layouts of 1 UN and 2 UN Plaza will remain unchanged under the current scope of work. Select new restroom installations will change a portion of the buildings' core layouts.

Both buildings will undergo base building improvements at the designated floors (UNDP spaces). The floors are to be turned over to UNDP under a Base Building "White Box / Make Ready" delivery with the scope of work as landlord work, which includes all existing interior tenant partition demolition, floor, wall, ceiling finish demolition, doors, lighting, window treatment demolition, all penetrations at floor, core partitions, to be fireproofed or fire-stopped. Replacement of broken, cracked or scratched windows is also landlord work, as well as perimeter knee walls as indicated.

The Make Ready work documents include the following:

Slab openings from removed dumbwaiter will be filled with lightweight concrete flush with existing slab on all floors as indicated, at each building.

New telecommunications riser sleeves and or conduits, as necessary will be provided from slab to slab through each building.

The build out of new BMS communications riser closets will be provided at the core, and new riser through each building, with new fire rated plywood backboard for mounting of BMS equipment, typically.

At 1 UN Plaza new acoustical tile (ACT) ceilings will be provided in freight vestibule and janitor closet, new urethane flooring at janitor closets, and painted walls at janitor closets and electrical closets, on all floors, typically.

At 2 UN Plaza existing janitor closet walls and ceilings will be painted, existing electrical closet walls will be painted.

At 1 UN Plaza new perimeter knee walls are indicated to be provided at floors 9, 10, 12, and 13 floors.

All core walls will be taped, floated, and skimmed. Columns will be patched with drywall similarly.

Exit and emergency lights will be provided in stairwells, corridors, building exits, lobbies, and toilet rooms.

UNDP will be provided with a restroom allowance to build new restrooms, the design, materials and fixtures of which are to be reviewed and approved by the landlord. The Make Ready drawings do not include new toilet rooms. Also as noted, the landlord is to review and approve tenant work such as fixtures, ceilings, MEP/FP, security, or any other tenant-installed system as part of the Tenant Improvements allowance.

Also, under the additional latest documents submitted the following is indicated:

1 UN Plaza (3rd and 11th Floors Refresh)

The landlord offices will be relocated to the 3rd floor to allow for a new bike storage room on the ground floor and will include various new partitions, doors, frames, finishes, equipment, and signage as indicated.

2 UN Plaza (Ground Floor)

The shared loading docks and the common corridor on the ground floor will receive new finishes, signage, etc., as indicated. CMU, concrete will be repaired, as necessary, and painted, as indicated include epoxy at floors and steps. Rubber dock bumpers will be replaced. The existing concrete floor at loading docks will be shot blasted.

The 3rd and 11th floor skybridges linking the two buildings will receive new finishes.

Central Plant Sets indicate the following:

The 1 UN Plaza Central Plant set of drawings shows the build-out of a new CMU enclosed fuel oil tank room at northeast corner of the Basement B1 level, new galvanized catwalk and stair at new emergency generator location on 4th floor roof, new mechanical work on the 27th and 27th mezzanine floors, and new chillers (3) and cooling tower, (replacing existing), including catwalk and railings at 39th floor roof.

The 2 UN Plaza Central Plant set of drawings shows new mechanical work and equipment/units at Basement, and 29th floors. In the Basement two existing housekeeping pads are to be extended to accommodate a new chiller and a new heat exchanger.

ADA Compliance

Tenant Improvement drawings were provided for 1 UN Plaza. The drawings are conceptual in nature and provide suggested office and furniture layouts for floors 9 through 26. Various suggested layouts include private offices, open cubicle plans, huddle spaces, meeting rooms, assembly spaces, pantries and break rooms.

Tenant Improvement drawings were provided for the 13th and 15th floors of 2 UN Plaza. The proposed layout includes private offices and meeting rooms at the building corners and west of the elevator core; the remainder of the 13th floor will be open cubicles and service rooms.

The current scope of work includes modifications and additions for ADA compliance.

Common use toilet rooms will have the appropriate maneuvering clearances and grab bars. Drinking fountains will be ADA accessible.

The current documents note that the Building Owner and Tenant shall be responsible for complying with their respective obligations under the Americans with Disabilities Act, however all work under the scope application shall conform to NYC Local Law 58/87. Typical ADA accessible details are provided on the drawings.

The drawings also note that all doors and hardware are to comply with Local Law 58 and ADA requirements.

We have requested and received a written certification letter from the Professional of Record, certifying that, to the best of their knowledge, the proposed improvements meet the requirements of the appropriate building codes, zoning requirements, and all other applicable governmental regulations, including the Americans with Disabilities Act (ADA).

Code

The drawings note that all work is to conform with the Building Code and Electrical Code of the City of New York, the NY State Energy Conservation Construction Code and all other authorities and regulations having jurisdiction. It is also noted that there is no change to building use or occupancy under the work indicated.

	<p>The 13th and 15th Floor Tenant Improvement drawings for 2 UN Plaza reference the 1968 New York City Building Code (with 2008 amendments), the 2022 NYC Mechanical Code, the 2022 NYC Electrical Code, the 2022 NYC Plumbing Code, the 2022 NYC Fire Code and ICC/ANSI 117.1-2009.</p>
<i>Occupancy Classification</i>	Both buildings' primary occupancy is noted as B Business.
<i>Construction Classification</i>	Type IB, Non-combustible, fully protected
<i>Floor to Floor Heights</i>	Office floor-to-floor heights are to remain as existing.
<i>Exterior Walls & Windows</i>	<p>The drawings indicate the following:</p> <ul style="list-style-type: none"> • reglazing where necessary, includes replacement of insulated glass units for fixed vision at curtain wall, operable vision at aluminum windows, and vision shadow box conditions; and insulated glass units with opacifier coating for spandrel conditions (to match original Varitran B2-350 vision and spandrel glazing) • new cap bead perimeter joint sealant application between glass and metal throughout the exterior walls • manual cleaning of all exposed anodized architectural cladding including window wall framing without affecting or damaging the existing anodized finish, and application of clear surface protectant. <p>The Make Ready plans note that window replacement includes any broken, cracked or scratched windows and any malfunctioning window hardware. The Make Ready plans further note that the landlord is also to replace solar window film with new product as agreed to by UN Security.</p> <p>The first-floor storefront at 2 UN Plaza will be modified to provide card reader access to a new bicycle storage room.</p>
<i>Roofing</i>	<p>The existing roofs are to remain except for patching indicated under replacement equipment (generator, cooling towers).</p> <p>No other details were provided.</p>

Interior Partitions/Walls

The drawings call for core and shell patching to achieve a “white box” tenant ready space.

The current 1 UNP and 2 UNP Plaza drawings indicate fire stopping and fire rated caulking at core walls on floor as needed to maintain 2-hour fire rating construction. An allowance is also noted at 2 UN Plaza drawings for SFRM fireproofing at underside of slab at locations where fireproofing is failing.

Drawings for the Landlord Office renovation indicate new partitions. The typical interior partition will have floor-to-slab stud framing and be clad on both sides with 5/8” type X gypsum wall board; cavity insulation is specified. Perimeter walls abutting structural elements are to be furred out with finished gypsum on metal studs with cavity insulation. The landlord office will have knee height walls in the reception area.

The Central Plant Bulletin 1 drawings indicate the following:

New shaft sleeve walls are to be provided within an existing vertical service shaft from the basement level. The walls are to be 6” and 8” thick CMU and will include 3 separate sleeves. The west sleeve is to contain electrical conduit; the east sleeve is to contain fuel oil piping; the center sleeve is unspecified conduit. The east fuel pipe sleeve is to be constructed with a fully welded 10 ga. steel enclosure. The outer masonry surface of the new sleeve walls is to be prepared, primed and coated with liquid flashing. Miscellaneous steel to support pipe and conduit runs is detailed on the drawings.

There will be a new 4” wide by 6” high concrete containment curb to be installed at the entire perimeter of the new fuel oil tank room in the basement. A new housekeeping pad for the new tank room. At this location an existing through wall louver is to be removed and the existing CMU partition is to be infilled and repaired. The inside wall of the existing spill air shaft is to be waterproofed at this location. The contractor is to coordinate an opening in the spill air shaft for a new duct, fire dampers and pipe penetrations. A new spanning lintel over the duct is noted. Related patching, firestopping and waterproofing are noted.

At the basement telephone room a new wire security partition with hinged door and modular panels is to be installed.

General partition notes include the following:

All core walls and exterior knee walls will be finished with drywall and will be taped, floated and skimmed. All floating and perimeter columns will be patched with drywall taped, floated and skimmed.

Notes call for all penetrations between floors and rated core partitions to fire-proofed or fire-stopped in accordance with local codes.

Floors are to be free from pitting and davits exceeding ¼" in depth except for areas within 4" of electrical floor trenches. All wiring is to be removed from electrical floor trenches; trenches are to be inspected and certified as meeting current code requirements.

Construction drawings were provided for a new telecommunications closet, electrical closet and mechanical equipment room on the 2nd floor of the former School space at 2 UNP. New, painted 2-hour rated enclosure partitions are to be provided and new out-swing fire-rated doors are to be installed. New plywood backer panels and new telecom. and electrical panels are to be installed. A new ductwork opening to an existing shaft is to be provided and new 4" housekeeping pads in the MER room are to be installed. Existing slab openings are to be infilled. A new slab opening and floor drain in the MER room is to be provided. New lighting is to be provided and a new air handler is to be installed. New epoxy floor finish and vinyl wall base are to be provided.

Construction drawings were provided for the 13th and 15th floor Tenant Improvements at 2 UN Plaza and partition details were provided. One hour and non-rated interior partitions are noted as having floor-to-ceiling metal stud and track framing clad on both sides with 1 layer of gypsum wallboard. Two-hour rated partitions are to be similar with 2 layers of gypsum wallboard on both sides of the stud and track framing. All partition types are depicted as having batt insulation within the framing cavity.

Doors

The current 1 UNP and 2 UNP Plaza drawings indicate new hollow metal (HM) doors set on existing or new frames to be provided throughout the core areas as indicated (including electrical closets, telecom closets, janitor closets, freight vestibule (1 UN), on all typical floors (9-10, 12-24 at 1 UNP, and 2-26 floors at 2 UNP).

All new stair doors are to be 90-minute fire rated B-label. All stair doors at 1 and 2 UN Plaza are to be equipped with electric mortise locksets with lever trim and wire transfer hinge and are to have cabling arrangements.

Hollow metal (HM) doors set on HM frames with fire ratings as necessary will be provided throughout the cellar and BOH core areas, including toilet rooms, along the typical office floors. The oil pump room doors at the cellar are to be 180minute fire rated.

Stair doors throughout, are to be 90minute fire rated, typically.

Aluminum and glass storefront door systems will be provided at retail entrances, at the ADA lobby entrance and vestibule, and at terraces, typically.

A revolving glass door is indicated as the main lobby entrance.

New roll-down fire shutters are to be provided at the sky bridges and at the freight elevator.

Landlord Office, Loading Docks and Common Area drawings call for new doors at the Landlord Office and Loading Dock. Typical office doors will be single-swing, hollow metal in hollow metal frames some with glazing and some with borrowed lights. Service and loading dock doors include single and double sets and will be metal with kick plates and self-closing hardware.

The Central Plant Bulletin 1 drawings indicate the following:

The existing doors at the basement fuel oil tank room are to be removed and replaced. Three new hollow metal doors and frames are to be installed at this location. The existing CMU walls are to be patched as required. In the 3rd floor electrical room the existing hollow metal door is to be removed and reinstalled with a reversed door swing.

Construction drawings were provided for the 13th and 15th floor Tenant Improvements at 2 UN Plaza and door details were provided. Typical office doors are to be wood set into hollow metal frames. Doors to service and support spaces are to be hollow metal in metal frames; select doors will have glazing and sidelights. The lounge and elevator lobby doors will be specialized, tempered glass with stainless steel stiles and hardware. Door frames and hardware sets are indicated on the drawings.

Finishes

Gypsum patching is indicated at all typical floors for turn over. The refreshed Landlord Offices are indicated to receive various new finishes such as carpet tile, vinyl floor tile, acoustic tile ceilings, plastic laminate and solid surfaces at pantry and paint throughout.

The loading docks refresh will include paint (columns, CMU), epoxy (concrete floors, steps), new railings, new vinyl composition tile (VCT), etc.

The skybridges will receive new floor finish, and ACT ceilings.

The Signature Lobby documents have not been provided for review.

Drawings for the Landlord Offices call for a 2' X 2' suspended ceiling grid with recessed lighting, directional exit signs and HVAC grilles.

Construction drawings were provided for the 13th and 15th floor Tenant Improvements at 2 UN Plaza and finish details were provided. The typical office floor finish will be carpet tiles; service and support spaces will have rubber sheet flooring or resilient tile. The elevator lobby floor will be terrazzo. Typical wall finishes will be painted gypsum wallboard. The drawings call for 2' X 2' and 2'X4' suspended acoustical tile ceiling grid with recessed lighting, directional exit signs and HVAC grilles. Select ceilings will have painted suspended gypsum ceilings.

Appliances

The drawings indicate a new microwave oven and refrigerator in the Landlord Office employee pantry. Drawings for the 13th floor Tenant Improvements at 2 UN Plaza call for a full-height refrigerator, counter-top microwave oven and an under-counter refrigerator in the work lounge.

Millwork

Casework is indicated at the 3rd floor Landlord Office pantry and at the reception desk. The casework will be wood with plastic laminate surfacing and will have pockets for a suspended microwave oven and full-size refrigerator; an undermount sink with faucet and water dispenser are to be provided. Stainless steel pull hardware is noted for the casework. The Landlord Office will have a coat closet with a hanger rod and top shelf.

Casework is also indicated in the 2 UN Plaza 13th floor Tenant Improvement documents. Casework will include upper and lower wood/laminate cabinets in the work lounge; an opening for an under-counter refrigerator is included. An undermount sink is to be provided.

<i>Specialties</i>	Interior signage packages were provided in the documents. New signage for the Landlord Office, Make Ready “white box” 2 UNP 13 th floor Tenant Improvement and School Space will be ¼” thick aluminum placards with room number and name. Directional, stair, restroom, exit, fire extinguisher, elevator and elevator jamb signage are specified. Rule signage is listed for the loading dock area including “no idling” and “no smoking”. Warning signs are to include “danger elevator hoist way”.
<i>Equipment</i>	Refer to the appliances and mechanical sections of this report for equipment.
<i>Furnishings</i>	Furniture is depicted on the drawings reviewed and is assumed to be for concept only. No furniture listings or specifications for buyout or procurement were provided.
<i>Stairs</i>	<p>The existing building egress stairs are to remain. The existing means of egress from the building will be maintained clear of all obstructions such as building materials, tools, etc. Construction operations are not to block hallways, corridors or any egress for tenants of the building.</p> <p>The Central Plant Bulletin 1 drawings indicate the following:</p> <p>New platforms and stairs for an electrical generator is shown on the existing 3rd floor roof setback. The platforms are to be galvanized, grated steel and will be accessed from the roof by 2 galvanized steel stairs. New galvanized steel safety railings are shown.</p>
<i>Elevators</i>	No changes or improvements to the existing elevators were indicated in the documents reviewed.

HVAC*Overall Systems*

Both 1 and 2 UN Plaza buildings are scheduled to receive upgraded mechanical equipment and associated components. The majority of the central plant work is scheduled to take place in the basement and on mechanical floors on 29th and 39th floor of the 1 UN Plaza, and 27th and 29th floors of 2 UN Plaza buildings. Most of the horizontal distribution on the 3rd through 8th floors is scheduled to be demolished, with risers to remain. Much of the equipment is scheduled to be re-used, along with the associated piping, valves and ductwork. Replacements are shown for the heating and chilled water coils as well as the pumps, AHUs, motors and fans. 1 UN Plaza is scheduled to receive a completely new cooling tower and chiller plant. 2 UN Plaza is scheduled to receive a new chiller, while re-using two of the existing chillers. There are new heat exchangers for both UN Plaza 1 and 2. Central exhaust systems will be provided for bathroom, kitchen, and general exhaust. Much of the existing riser and horizontal ductwork distribution is existing to remain.

For 2 UN plaza, the perimeter pneumatic hot water valves are scheduled to be replaced throughout the offices and upgraded to DDC 2-way control valves. The fin tube radiators are scheduled to remain.

Heat

High pressure steam with heat exchangers will provide heating hot water to air handling units with heating coils located within mechanical spaces. Steam is also distributed to fan coil units and fin tube radiators located throughout the perimeter.

Cooling Towers

1 UN Plaza has an existing 6 cell cooling tower scheduled to be demolished. Any associated horizontal distribution to the 6 cell tower is also scheduled to be demolished, with risers to remain. A new 4 cell cooling tower is scheduled to replace the existing tower located on the roof with ~26,893 MBTU/hr of heat rejection, or ~2,250 tons. The cooling towers will be installed on the roof that provide heat removal to water-cooled HVAC units through the circulation of condenser water. Each cooling tower is sized to remove 400 tons of waste heat through circulation of a supply and return of condenser water.

Chillers

UN Plaza 1 has four existing chillers to be demolished, currently with a 1,075-ton capacity. Associated horizontal piping distribution is also scheduled to be demolished with existing risers to remain. Three new 600-ton chillers are scheduled to replace the existing chillers.

2 UN Plaza currently has two existing chillers to be reused, each with a 575-ton capacity. In addition, a new 250-ton chiller is scheduled to be installed. Associated pump motors are scheduled to be replaced for the chilled and condenser water pumps.

Heat Exchanger

The 1 UN Plaza building is scheduled to receive four new heat exchangers to convert high pressure steam to heating hot water that is then distributed to air handling units and perimeter fan coil units. The new heat exchangers located in the basement of 1 UN Plaza are scheduled to have a 1,269 MBH and 130 GPM capacity.

2 UN Plaza is scheduled to receive two new plate and frame heat exchangers for the chilled water system as well as the condenser water system. The chilled water system is serving the building economizer operation, with a 3,800 GPM capacity. The condenser water heat exchanger will have an 810 GPM capacity.

Fan Coil Units/VAVs

1 UN plaza is provided with existing perimeter *variable air volume boxes* that are separated into two zones. The 2 UN plaza is provided with perimeter fan coils in a single zone. The piping distribution feeding the fan coils from chillers and heat exchangers are existing to remain, with fan motors scheduled to be replaced. In addition, new high and low hot water coils located in the basement of 1 UNP are scheduled in conjunction with an existing fan for lobby and basement heating. Hot water piping located in the exterior of the air plenum are to receive heat trace.

Office Floor Air Handling Units

The 27th floor of the 1 UN Plaza building has an existing air conditioning unit scheduled to remain. The 2 UN Plaza building has existing packaged air conditioning units that are scheduled to remain with a motor replacement. There are 7 ACs scheduled to receive motor replacements serving the lobby, basement, residence common areas, and office floors. The former school of 2 UN plaza is also scheduled to receive a new 30-ton air handling unit with new horizontal distribution.

Pumps

There are existing chilled and condenser water pumps located in the basement of the 1 and 2 UN Plaza building mechanical room. Several of the pump motors are existing to be re-used, while the remainder are scheduled to have the motor replaced on the existing pumps. 1 UN Plaza pumps are shown below:

P1 chilled water pump (existing to remain) – 100 hp
P2 chilled water pump – 100 hp
P3 condenser water (existing to remain) – 100 hp
P4 condenser water pump – 125 hp
P5 standby for P 1-4 chilled/condenser water pump – 125 hp
P6 fan coil chilled water pump – 25 hp
P7 fan coil chilled water pump 2 – 20 hp
P8 fan coil standby for p6*-7 – 25 hp
P9 hot water perimeter heating – 75 hp
P10 hot water perimeter heating standby – 75 hp
P11 tenant condenser water (existing to remain) – 40 hp
P12 Condenser water and standby for P11 – 40 hp

The following motors are scheduled to be replaced for 2 UN Plaza.

P1 condenser water pump – 75 hp
P2 condenser water pump – 75 hp
P3 condenser water pump – 40 hp
P4 condenser/chilled water pump standby– 75 hp
P5 chilled water pump– 75 hp
P6 chilled water pump – 75 hp
P7 chilled water pump – 40 hp
P8 perimeter hot water pump – 25 hp
P9 office floor perimeter hot water – 25 hp
P10 perimeter hot water standby – 25 hp
P12 residential secondary hot water pump– 15 hp
P13 residential secondary dual temp. standby pump– 20 hp

Fans

Many of the fans and associated motors are existing to be re-used. Fans are provided for the swimming pool, kitchen exhaust, tennis court, restaurant, restrooms and mechanical spaces. Supply and exhaust fans are typically located in the 27th and 39th floors, as well as the basement mechanical rooms. Supply fans are scheduled to receive a new pre-filter rack to be installed in front of the existing filter. The existing filters for supply fans are scheduled as MERV-13, with prefilter scheduled as MERV-8. The following fans are scheduled to receive a motor replacement in 1 UN Plaza:

F7 swimming pool supply - 10 hp
F8 swimming pool return - 5 hp
F9 kitchen exhaust - 25 hp
F12 corridor supply (28 thru 38th floors) - 20 hp
F13 tennis court supply - 15 hp
F14 tennis court return - 7 ½ hp
F15A booster toilet exhaust (28 thru 38th floors) - 10 hp
F19 ground floor restaurant supply - 10 hp
F21 lobby supply - 10 hp
F22 lobby return - 3 hp
F24 basement supply - 15 hp
F25 elec. Switchgear/mech room exhaust - 10 hp
F26 elec. network supply - 7 ½ hp
F27 elec. Network return - 5 hp
F31 basement kitchen exhaust - 25 hp
F34 fan room exhaust - 5hp

The following fans are scheduled to receive a motor replacement in 2 UN Plaza:

F1 garage exhaust - 10 hp
F3 elec switchboard room exhaust- 7 ½ hp
F7 basement return- 7 ½
F12 office floor restroom exhaust - 10 hp
F39 garage supply - 7 ½ hp

Controls

A building management system (BMS) provides monitoring and operation of major base building HVAC equipment and systems. For 1 and 2 UN Plaza, new variable frequency drives are scheduled for larger mechanical equipment such as pumps and fans. 2 UN Plaza is scheduled to receive *two* new BMS communication risers from the basement to the roof, adjacent to the Northwest elevator bank. The BMS riser is scheduled to receive ethernet switches within the control panel on each floor to monitor each piece of equipment remotely.

Energy Sources

Electricity, steam and fuel oil.

PLUMBING*Storm and Sanitary
Sewers*

Existing roof drains convey water through internal storm risers to new and existing storm piping. 1 UN Plaza is provided with an existing storm riser to remain, as well as the demolition of an existing riser. One new 6" cast iron storm water risers is scheduled to be installed, located in a chase adjacent to the elevator bank from the 3rd to the 27th floor. An additional storm riser chase is located adjacent to the Northwest elevator bank, with new 6" riser connecting to an existing riser. In addition, new plaza drains are scheduled with final connections to the municipality located in the sidewalk vault.

Sanitary waste will flow by gravity from fixture drains and floor drains to existing piping to risers finally discharging to the combined sewer service. New sanitary risers are scheduled for the rooftop pre-fabricated MER's. There are two sanitary riser chases located next to the existing and new storm riser piping.

Water Service

The 1 UN Plaza building is provided with an existing 6" domestic water service. The existing 5" domestic copper riser is to remain, providing domestic water to the 27th floor.

Water Pipe Material

Domestic water pipe material is copper type L for 1 and 2 UNP.

Domestic Hot Water

UN building 1 has two existing domestic hot water tanks. Hot water is provided through ConEdison high pressure steam and heat exchangers, which will then distribute domestic hot water to plumbing fixtures located within restrooms.

2 UN plaza is also provided with two domestic hot water tanks located on the 29th floor. A new metered domestic water connection is to be provided to the two tanks with a reduced pressure zone.

Pumps

Pumps are existing to remain to provide domestic water pressure to both buildings. 1 UN plaza is scheduled to receive a motor replacement. 2 UN plaza is provided with existing duplex house pump, hot water circulation pump, sump pumps and sewage ejector pump.

Fuel Oil Delivery

A curbside fuel oil fill connection on the side of the building has piping to a new 2,000-gallon fuel oil tank.

Fixtures

Each building is provided with men's and women's restroom on each floor. New restrooms are to be provided in building 1, with restrooms in building 2 existing to remain. Restrooms are provided with sinks, water closets, urinals and lavatories. 1 UNP is also provided with men's and women's locker rooms.

ELECTRICAL

Main Service

1 UN Plaza has three incoming 4,000 Amp, 277/480-volt, 3-phase, 4-wire services distributed through risers to electrical closets located on each floor. A new 1,200 Amp distribution panel is scheduled for common loads and tenant panels. 2 UN Plaza has two 4,000 Amp 277/480-volt, 3-phase, 4 wire service. 1 UN plaza will also have sub metering for the office, hotel, and base building sections.

The 1 UN Plaza building is scheduled to receive a new 175-amp, 120/208-volt and 277/480-volt, 3-phase, 4 wire panel within each electrical closet from the 3rd to the 27th floors. The existing step-down transformer and disconnect switches are to remain, while the house and lighting panels are scheduled to be removed. Fuses are scheduled to be upsized to accommodate the new panels.

The 2 UN Plaza building is provided with 3 to 5 electrical panels, ranging between 150-200 amps each, with the 150-amp panels scheduled to be disconnected and removed in each of the electrical closets. The 200-amp panels are scheduled to remain. To replace the 150-amp panels, a new wiring trough riser is scheduled, with two new 100-amp, 120/208-volt panels and a new disconnect switch. In addition, floors 2 through 25 are scheduled to receive new sub-meters.

The sidewalk vault serving both 1 and 2 UN Plaza is also scheduled to be restored.

Capacity

Approx. 6 watts/sq.ft. is assumed to be available based on the electrical drawings for 1 UN Plaza.

Wiring

Copper wiring will be installed.

*Emergency/
Standby Power*

A fuel oil generator will be installed in 1 UN plaza with a 750 kW/437 kVA, 2,000 gallon, 277/480-volt, 3 phase, 4 wire electricity to life safety circuits. The generator is proposed to be installed on the 3rd floor. In addition to serving life safety circuits, the generator will also serve the cooling tower in order to provide cooling should a loss of power occur. A new 50 kW riser is scheduled to provide emergency power to the new MDF. 2 UN plaza has an existing 500 kW generator to remain, serving emergency circuits. The 12th floor tenant will have an optional standby emergency power circuit rated for 50 kW @ 277/480-volts.

Lighting

Generally, LED lighting is installed. Controls include occupancy sensors and manual switches.

Telecommunications

Cable and fiber optic service connections are available. New low voltage risers are scheduled for BMS purposes wired to the new variable frequency drives. Existing data outlets are shown with some new data ports scheduled within office areas of 1 UN plaza. 1 UNP is scheduled to receive a new tenant MDF with back-up emergency power.

Security

There are existing security cameras located throughout the exterior of the building near entrances.

LIFE SAFETY

General

Both 1 and 2 UN plaza are to be fully protected by a wet sprinkler system. Electrical plans indicate 1 UN Plaza will have two fire pumps and a jockey pump located within the fire pump room. Fire department connections located on the exterior. A fire hydrant is also existing on the corner of 1st Ave and 44th Street. Both buildings will also have a fire alarm system with wiring to initiation devices.

Sprinkler System

The building is protected by a wet sprinkler system, with ESFR systems shown in the IT rooms. Standpipes are existing in stairwells with fire department hose connections.

Fire Pumps

Each building has an existing fire pump and jockey pump. 2 UN plaza is provided with an automatic 300 gpm fire pump with jockey pump, as well as a manual 750 gpm fire pump.

<i>Fire Alarm System</i>	A main fire command station is installed in the lobby with wiring to initiation and notification devices located throughout including manual pull stations, flow and tamper switches, new duct smoke detectors with relays, and heat detectors as well as speaker/strobe devices. The panel will provide voice communication, smoke control and elevator recall controls. 1 UN plaza is provided with a class E system that was installed in 2018. Much of the existing fire alarm system is scheduled to remain, with new work taking place within the new ductwork distribution fed from air handling units.
<i>Fire Extinguishers</i>	Fire extinguishers are installed where required.
<i>Egress Lighting</i>	Emergency lighting fixtures with battery backup and generator power is existing for 1 UN plaza.
<i>ARCs</i>	1 and 2 UN plaza are provided with an Auxiliary Radio Communication System (ARCs), which receives and transmits fire department signals.
<i>Fault Protection</i>	Ground Fault Circuit Interrupting (GFCI) electrical outlets are installed in wet areas such as pantries and restrooms.

SUSTAINABILITY

<i>General</i>	There is no indication that the renovation has pursued sustainable recognition from a program such as LEED. 1 UN plaza is designed to the energy compliance code BC 110.3.5 RNYC. Both UN Plaza buildings are subject to New Yor State’s Buildsmart 2025 program, mandating a 30% improvement in energy efficiency by 2025 from the 2015 benchmark. 2 UN Plaza utilizes energy efficient plumbing fixtures and lighting.
<i>Energy Management</i>	A new building management system (BMS) system will be installed to monitor and operate major mechanical equipment for both 1 and 2 UN plaza. Energy conscious features will be installed such as HVAC systems with variable frequency drive controllers on major motors operating fans and pumps.

SECTION IV - DOCUMENTS AND PERMITS

Copies of the following documents were provided to us and were utilized in preparing this report:

1. Updated Drawings:

1 UN Plaza

- UNDC One United Nations Plaza “9-10, 12-24 Floors-Make Ready Set” of Drawings (Architectural, Mechanical, Electrical, Fire Alarm, Telecommunications, Plumbing, Fire Sprinklers, Structural disciplines) labeled Issue No 5 “Issued For Construction 100%” dated **March 28, 2024, Addendum 1 sheets dated May 10, 2024, and Bulletin 1 sheets dated December 6, 2024.**
- 1 UN Plaza Project Specifications -Energy Conservation Measures (Division 21-Fire Protection; Division 22 -Plumbing; Division 23-HVAC; Division 26 -Electrical) prepared by Cosentini Associates, dated April 12, 2024 and June 7, 2024
- 1 UN Plaza Project Specifications prepared by Gilsanz Murray Steficek LLP (GMS) dated March 28, 2024 (Section 033000 Cast-In-Place Concrete; Section 051200 Structural Steel; Section 053000 Metal Decking.
- One United Nations Plaza Central Plant Set marked CD 100% dated June 7, 2024 with MEPF Specs, and Bulletin 1 set dated December 6, 2024
- Tenant Improvement Schematic floor plans (Stacking Plans) dated November 22, 2023

2 UN Plaza

- UNDC Two United Nations Plaza “2nd-26th Floor-Make Ready Set” of Drawings (Architectural, Mechanical, Electrical, Fire Alarm, Telecommunications, Plumbing, Fire Sprinklers, Structural disciplines) labeled Issue No 5 “Issued For Construction 100%” dated **March 28, 2024, Addendum 1 sheets dated May 10, 2024, and Bulletin 1 sheets dated December 6, 2024.**
- **Two UN Plaza School Space Demolition Drawings Bulletin 1 sheets dated December 6, 2024**
- 2 UN Plaza Project Specifications prepared by Gilsanz Murray Steficek LLP (GMS) dated March 28, 2024 (Section 033000 Cast-In-Place Concrete; Section 051200 Structural Steel; Section 053000 Metal Decking.
- Two United Nations Plaza Central Plant set marked CD 100% dated March 29, 2024 with MEPF Specs, and Bulletin 1 set dated December 6, 2024
- School Space 1-2 Floors – Demolition Set marked Issued for Construction – Bulletin 1 dated December 6, 2024
- Tenant Improvement Drawings 13th Floor (Architectural, Mechanical, Electrical, Fire Alarm, Audio/Visual, Plumbing, Fire Sprinklers, Telecommunications disciplines) Issue for Bid Set, dated November 17, 2023

1 and 2 UN Plaza

- UNDC Landlord Office, Loading Docks and Common Area Refresh- 1 and 2 UN Plaza Drawings (Architectural, Mechanical, Electrical, Fire Alarm, Telecom, Plumbing, Sprinkler) marked 100% Construction Documents, dated May 24, 2024, and Bulletin 1 sheets dated December 6, 2024.
- 100% CDs 1 + 2 UNP Façade Documents
 - a. Sealant Replacement Architectural Package - One & Two UN Plaza, marked Bid Set dated April 12, 2024.

- b. Metal Cleaning and Restoration, Joint Sealant; and Glass & Glazing Specifications dated January 26, 2024
 - c. 1 UNP + 2 UNP Reglazing Elevations and Summary
 - d. Appendix A 1 + 2 UNP Reglazing Elevations and Summary
- Fire Alarm Tech upgrade 100% CD
- 2. Preliminary Project Budget UNDC 1 & 2 UNP updated May 15, 2024 -Cushman & Wakefield.
- 3. 1 & 2 United Nations Executive Budget Summary dated July 8, 2024 -Turner
- 4. 1 United Nations Plaza – Summary Schedule dated July 15, 2024, prepared by Turner
- 5. 2 United Nations Plaza – Summary Schedule dated July 15, 2024, prepared by Turner
- 6. “Execution Version” CMA marked TPHS-Draft dated December 5, 2023 (see **Section V**)

The drawing sets and documents previously provided were as follows:

UNDP “Make Ready” (White Box Scope) Drawing Set (General Demolition and White Box Construction, Mechanical, Electrical, Fire Sprinkler and Structural), marked “Issued for 100% DD,” dated January 4, 2024. Stamped “Not for Construction”.

One United Nations Plaza (1 UNP)

- a. 1 UNP - BMS Project: 100% DD (Arch, Mech)
- b. 1 UNP - Motor Replacement + VFD Project: 90% CD (Arch, Mech)
- c. 1 UNP - Electrical Closet Upgrade: 100% DD (Arch, Elec)
- d. 1 UNP – Steam Condensate Head Recovery Project: 90% CD (Arch, MEP)
- e. 1 UNP - VAV Conversion Project: 100% DD (Arch, Mech, Elec)
- f. 1 UNP - Storm Water Risers: 90% CD (Arch, Plum, Struc)
- g. 1 UNP - Chiller + Colling Plan Project: 100% DD (Arch, MEP, Struc)
- h. 1 UNP - Lighting Upgrades: 100% DD (Arch, Elec)

Two United Nations Plaza (2 UNP)

- i. 2 UNP - BMS Project: 100% DD (Arch, Mech)
- j. 2 UNP - Motor Replacement + VFD Project: 90% CD (Arch, Mech, Elec)
- k. 2 UNP - Chiller Upgrades Project: 100% DD (Arch, Mech, Elec)
- l. 2 UNP - Electrical Closet Upgrade: DD (Arch, Elec)
- m. 2 UNP - Demand Control Ventilation: 100% DD (Arch, Mech, Struc)
- n. 2 UNP - Lighting Upgrade: 75% DD (Arch, Elec)

75% DD Façade Documents

- o. Sealant Replacement Architectural Package - 1 UNP & 2 UNP
- p. Metal Cleaning, Joint Sealant, and Glass & Glazing Specifications

Lease Exhibit Drawings for 1 UNP and 2 UNP, various dates November 2023

- 7. Construction Schedule for 1 UN Plaza was submitted entitled “UNDC UNP Repositioning 1 UNP Summary” dated November 22, 2023.
- 8. Construction Schedule for 2 UN Plaza was submitted entitled “UNDC UNP Repositioning 2 UNP Summary” dated November 22, 2023

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9. United Nations Development Corporation (UNDC) Sources and Uses Budget prepared by the Turner Construction Company dated November 14, 2023
 10. Property Assessment Report – 1 UN Plaza by Cushman & Wakefield, updated April 15, 2022
 11. Property Assessment Report – 2 UN Plaza by Cushman & Wakefield, updated April 15, 2022
 12. Construction Schedule “UNDC 1+2 UNP Repositioning Master Schedule INTERNAL”, dated December 18, 2024
 13. Construction Schedule “UNDC 1+2 UNP Repositioning Summary Schedule INTERNAL”, dated December 18, 2024
 14. ACM Report prepared by JLC Environmental Consultants, Inc.
 - a. 1 UN Plaza (Floors 1, 3, 6, 16-27, 39 & Basement), dated December 4, 2024
 - b. 2 UN Plaza (Floors 1-27, 29, Basement, & Roof), dated December 4, 2024
 - c. 1 UN Plaza (Floor 25 and 26), dated March 18, 2024
 15. Architect and Engineer of Record Agreements. (see **Section V**)

SECTION V - DESIGN AND CONSTRUCTION CONTRACTS

The following Design or Construction Contracts have been provided.

Construction Contracts

1. An “Execution Version” of the Construction Management Agreement between the United Nations Development Corporation, as Owner, and Turner Construction Company, as Construction Manager pertaining to Base Building and Tenant Fit-Out Work at One and Two United Nations Plaza New York, New York 10017, TPHP - dated December 30, 2024.

The following exhibits are noted to be made part of the Agreement, with most of those attached / provided.

Exhibit A-1	Description of Project Site at One UN Plaza
Exhibit A-2	Description of Project Site at Two UN Plaza
Exhibit B	Description of Project
Exhibit C	Staffing Plan/Key Personnel
Exhibit D	Access and Security Plan
Exhibit E	Design Professionals
Exhibit F	Drawings
Exhibit G	Specifications
Exhibit H	Project Schedule
Exhibit I	Procurement Plan/Purchasing Schedule
Exhibit J	BIM Specifications
Exhibit K	Project Site Logistics Plan
Exhibit L	Safety Plan
Exhibit M	Project Communications Program
Exhibit N	Applicable Provisions
Exhibit O	Form of Subcontractor’s Award Letter
Exhibit P	Construction Manager’s Form of Subcontract
Exhibit Q	Closeout Schedule and Procedures
Exhibit R	Form of Subcontractor Warranty
Exhibit S	Insurance Requirements
Exhibit T	Indemnities and Additional Insureds
Exhibit U	Milestone Events
Exhibit V	Cost of the Work
Exhibit W	Preliminary Construction Work Sum
Exhibit X	Component Contract Sum
Exhibit Y	Subcontractor’s Waiver and Release of Lien
Exhibit Z	Construction Manager’s Progress Waiver and Release of Lien
Exhibit AA	Construction Manager’s Final Affidavit and Release of Claims
Exhibit BB	Subcontractor’s Final Affidavit and Release of Claims
Exhibit CC	General Conditions Study
Exhibit DD	[Intentionally Omitted]
Exhibit EE	Form of Assignments
Exhibit FF	Bill of Sale and Bailment Agreement
Exhibit GG	Diversity Requirements

Exhibit GG-1	Quarterly Reports Form
Exhibit GG-2	Waiver Form
Exhibit HH	Owner's Prompt Payment Regulations
Exhibit II	Project Components
Exhibit JJ	Owner's Document Security Procedure Requirements
Exhibit JJ-1	Form Confidentiality Agreement
Exhibit KK	Project Labor Agreement
Exhibit LL	Executive Order 16 – Vendor Compliance Form
Exhibit MM	Regulatory Forms Package

The agreement indicates the following:

- a. Contract Type: Agreement for Construction Management Services
- b. Contract Sum: Cost of the Work shall include the Direct Work Cost and General Conditions Costs as set forth below under Section 2 - Allowable Costs. The Fee shall be applied to the Cost of the Work only. According to the Exhibit W Preliminary Construction Work Sum the TOTAL Construction cost is \$192,749,759.
Based on the latest GMP budget the Contract sum is \$181,354,229
- c. Construction Manager's Fee: 2.45% of the Cost of the Work
The line item for the CM Fee on the Exhibit W Preliminary Construction Work Sum is \$4,299,681.
Based on the latest GMP budget the fee is \$3,886,429
- d. Construction Manager's Contingency: The Construction Contingency shall mean the amount set forth in each Component Contract Sum at the time the Component Contract Sum is established. The Construction Contingency shall also refer to, individually or collectively, the Component Construction Contingency for each Component and each Component Contract Sum.
For each Component, a separate Construction Contingency in an amount equal to three percent (3%) of the aggregate of the sums identified in Subsections (a),(b), and (c) hereof for each Component, which shall be available for use by Construction Manager as provided in Section 16.11 hereof, and any Construction Contingency funds spent prior to when the Component Contract Sum is established shall be credited against the Construction Contingency once the Component Contract Sum is established.
Any Construction Contingency that is unused upon Final Completion of each Component, shall return to Owner and reduce the Component Contract Sum by the amount of unused Construction Contingency.

- In no event may the Construction Contingency be used to cover the cost of insurance deductibles (other than proscribed in 16.11.1(g) or Liquidated Damages.
- The line item for the Construction Contingency on the Exhibit W Preliminary Construction Work Sum is \$4,276,922.
- e. Allowances: The parties agree that Allowances and Allowance Items shall be limited solely to the scopes of the Work that are undefined or cannot be defined by the Construction Documents at the time that the respective Component Contract Sum is established. The Component Contract Sums may contain such limited Allowances that are well defined and pre-approved by Owner. The parties acknowledge that the Allowances, Allowance Items and Total Allowance Amount may fluctuate due to a number of circumstances, including the fact that Owner may not have yet selected the exact type or quantity of such materials, equipment or other items. No Allowances shall proceed without the prior written authorization of Owner.
- f. Alternates: None indicated in the Agreement. Construction Manager may request Owner's approval for a Subcontract to contain allowances or alternates for certain portions of the Work covered by such Subcontract.
- g. Unit Prices: Referenced and defined.
- h. Payment and Performance Bonds/ SDI: For any subcontractors not enrolled in SDI and as determined with Owner, CM shall obtain from subcontractors (with contract values of \$150,000) Payment and Performance Bonds for the value of the cost of the subcontractor's work.
- Unless Owner directs the Construction Manager to have the Subcontractors provide payment and performance bonds as set forth in Section 12.5.1 of the Agreement, Construction Manager shall obtain subcontractor default insurance relative to the Work, in form and amount satisfactory to Owner, and including a financial endorsement in favor of Owner, Owner's mortgagees and Lenders.
- i. Construction Start Date: The Schedule in the Exhibits has a start date of April 12, 2024. The more recent schedule that appears in section VIII of this report has a start date of August 07, 2023.
- As per the Agreements definitions the "Notice to Proceed" shall mean Notices provided to Construction Manager by Owner directing Construction Manager to proceed with each Component of the Work as described in the Recitals of

- j. Substantial Completion: this Agreement, and any other applicable portion of the Project.
“Substantial Completion” shall mean that stage in the progress of the Work when all of the requirements of Section 10.4.1 hereof have been satisfied by Construction Manager, as accepted by Owner.
- k. Liquidated Damages: “Substantial Completion Date” shall mean the date that is set forth for Substantial Completion as stated in the Project Schedule. The Schedule in the Exhibits has a completion date of October 11, 2029. The more recent schedule that appears in section VIII of this report has a completion date of January 14, 2030.
For each applicable Component, Construction Manager acknowledges that the consequential damages to Owner which would result from Construction Manager’s failure to achieve Milestone Events would be significant, and that Owner has agreed to waive the consequential damages in accordance with Section 11.1. In lieu thereof, the parties hereby agree that Construction Manager shall be liable for Liquidated Damages subject to the terms of this Section 11.2, and the parties hereby recognize that consequential damages otherwise recoverable by Owner for such delay are uncertain and cannot be calculated exactly.
- l. Savings: The Agreement does not provide for any overall savings for the Project; however, the following shall apply:
If, after all of the Subcontracts have been awarded, the total net amount as awarded is less than the amount shown on the trade breakdown of a Component Contract Sum (“Procurement Savings”), Owner shall issue a Change Order (i) reducing the amount shown on the trade breakdown by the amount of Procurement Savings, and (ii) the Procurement Savings shall flow to the Construction Contingency.
- m. Bonus: None indicated in the Agreement.
- n. Payments: Monthly Progress Payment Calculations. Subject to and without waiver of the other provisions of this Agreement, the amount of each monthly progress payment during the Construction Phase shall be computed as follows:
- a. calculate the product of (i) the entire Direct Work Cost component of the Cost of the Work, based on the Schedule of Values, times (ii) the Percentage of Completion;
 - b. subject to fulfillment of all of the terms and conditions set forth in Section 16.16.3 hereof with respect to stored equipment and fabricated materials, add eighty-five

percent (85%) of the amount of the Direct Work Cost incurred to date which is allocable to such equipment and fabricated materials stored in accordance with such Section 16.16.3 and permitted by Owner's Lender for stored equipment and fabricated materials;

c. subtract the amount retained from previous progress payments under this Section 16.15.3 that has not yet been paid to Construction Manager;

d. subtract amounts already paid to Construction Manager in respect of the Direct Work Cost (including any retainage paid);

e. subtract retainage on the subject progress payment pursuant to Section 16.15.4 hereof;

f. subtract amounts withheld under Section 16.18 hereof;

g. add, as the portion of the Base Fee payable to Construction Manager, the product of the Base Fee times the Percentage of Completion, less the Base Fee amounts already paid to Construction Manager;

h. the Base Fee pursuant to Section 15.1.2 hereof; and

i. as a reimbursement for General Conditions Costs, the actual General Conditions Costs incurred, provided that the costs of Construction Manager's insurance, SDI, and bonds (as applicable) shall not be included in the General Conditions Costs.

o. Retainage:

A 10% Retainage will be held by Construction Manager under all subcontractors. The 10% shall be reduced to 5% upon 50% completion of the work, subject to Owner's approval.

This Agreement is well conceived and though it is not a boilerplate AIA Agreement it is comprehensive in regards to the scope of work and defining the roles expected by parties involved with the Project.

Design Contracts

2. Architectural Services Agreement between United Nations Development Corporation (as owner) and Spacesmith, LLP (as Architect) pertaining to base building improvements to One and Two United Nations Plaza, New York, New York. The agreement is unsigned and dated September __ 2024. The agreement indicates the Architectural scope is to include: Concept Phase, Schematic Design Phase, Design Development Phase, Construction Documents Phase, Bidding Phase, and Construction Phase. No fees are provided.

3. Mechanical, Electrical, and Plumbing Engineering Services Agreement between United Nations Development Corporation (as owner) and Tetra Tech Engineers, Architects, & Landscape Architect, P.C. D/B/A Cosentini Associates (as Mechanical, Electrical, and Plumbing Engineer) pertaining to base building improvements to One United Nations Plaza, New York, New York. The agreement is signed by both parties and dated February 1, 2024.

The agreement indicates the MEP scope is to include the following engineering services:

- a. Energy Efficient Updates
 - i. MEP/FP
 - 1. LED Lighting Upgrades for 2 typical tenant floors
 - ii. Build Smart Energy
 - iii. Commissioning
 - iv. Laser Scanning
- b. New Emergency Generator System
 - i. MEP
 - ii. Temporary Generator Design
 - iii. Commissioning (budget)
- c. Demolition and White Box
- d. Input on Board Presentation
- e. Telecommunications and Security Infrastructure Upgrades
 - i. Telecommunications
 - ii. Security
- f. Electrical Closet Upgrades
 - i. IT for Electrical closet upgrade
- g. Lease Support
- h. Relocation of Cushman & Wakefield Offices
 - i. IT for Relocation of Cushman & Wakefield Offices
- i. Parallel Design of Central Fan and DOAS (through DD) Schemes
- j. Storm Riser Upgrade
- k. Fire Alarm System Upgrades

The fees provided in the agreement are as follows:

Scope 1a	MEP/FP	Scope 1a.i: LED Lighting Upgrades for 2 Typical Tenant Floors
Concept Design	\$105,000	\$1,500
Schematic Design	\$510,000	\$6,000
Design Development Documents	\$600,000	\$7,500
Construction Documents	\$797,000	\$10,000
Pre-Ordering Phase	\$30,000	\$0
Bid and Award	\$49,000	\$500
Construction Administration	\$369,000	\$4,500
TOTAL	\$2,460,000	\$30,000
Scope 1a.ii – Participate in Peer Review Process*	\$36,000 (Not-to-exceed)	

4. Mechanical, Electrical, and Plumbing Engineering Services Agreement between United Nations Development Corporation (as owner) and Tetra Tech Engineers, Architects, & Landscape Architect, P.C. D/B/A Cosentini Associates (as Mechanical, Electrical, and Plumbing Engineer) pertaining to base building improvements to Two United Nations Plaza, New York, New York. The agreement is signed by both parties and dated February 1, 2024.

The agreement indicates the MEP scope is to include the following engineering services:

- a. Energy Efficient Updates
 - i. MEP/FP
 - 1. LED Lighting Upgrades for 2 typical tenant floors
 - ii. Build Smart Energy
 - iii. Commissioning
 - iv. Laser Scanning
- b. Demolition and White Box
- c. Input on Board Presentation
- d. Telecommunications and Security Infrastructure Upgrades
 - i. Telecommunications
 - ii. Security
- e. Electrical Closet Upgrades
 - i. IT for Electrical closet upgrade
- f. Lease Support
- g. Fire Alarm System Upgrades

The fees provided in the agreement are as follows:

Scope 1a	MEP/FP	Scope 1a.i: LED Lighting Upgrades for 2 Typical Tenant Floors
Concept Design	\$70,000	\$1,500
Schematic Design	\$340,000	\$6,000
Design Development Documents	\$400,000	\$7,500
Construction Documents	\$531,000	\$10,000
Pre-Ordering Phase	\$20,000	\$0
Bid and Award	\$33,000	\$500
Construction Administration	\$246,000	\$4,500
TOTAL	\$1,640,000	\$30,000
Scope 1a.ii – Participate in Peer Review Process*	\$24,000 (Not-to-exceed)	

SECTION VI - COMMENTS ON DOCUMENTS**Completeness of the Design Documents**

The current Bulletin 1 documents submitted (1 UNP Make Ready, 1 UNP Central Plant, 2 UNP Make Ready, 2 UNP Central Plant, 1 + 2 UNP Façade, and 1 + 2 UNP Landlord Office & Common Area Refresh, 2 UNP School Space Demolition Drawings and 2 UNP 13th Floor Tenant Improvements) are developed sets and are adequate for bidding and construction purposes.

Comments on Cushman and Wakefield PCA**1 UN Plaza**

Per the PCA review conducted April 15th, 2022 by Cushman & Wakefield, 1 UN Plaza has undergone several mechanical upgrades between 2017 and now. In addition, there are planned upgrades per the 12/29/23 construction set.

The PCA indicated a Class E fire alarm system was completed in 2018, with a new auxiliary Radio Communication System (ARCS) for FDNY communication.

The security system control panel was also updated in 2017, including new servers and hardware.

The PCA indicates the condenser water riser was upsized from floors 2 through 11 in order to increase the capacity. The construction drawings show the upsized risers are to remain, with new horizontal distribution to the new cooling towers scheduled. New pressure reducing valves were installed in 2019 for the domestic water restroom supply and water coolers. Supply and return fan motors were replaced as of 2019, with the remaining fan motors scheduled for replacement shown in the 2023 construction documents.

2 UN Plaza

Per the PCA review conducted April 15th, 2022 by Cushman & Wakefield, 2 UN Plaza has undergone several mechanical upgrades between 2017 and now. In addition, there are planned upgrades per the 12/29/23 construction set.

The PCA indicated a Class E fire alarm system was completed in 2016, with a new auxiliary Radio Communication System (ARCS) for FDNY communication.

Supply and return fan motors were replaced as of 2019, with the remaining fan motors scheduled for replacement shown in the 2023 construction documents. The PCA report also indicates planned upgrades to the condenser water pumps and chilled water pumps. These upgrades have been reflected in the construction drawing set, with new motors and VFDs scheduled. Controls are also scheduled to be upgraded per the PCA, and several new risers shown on the construction plan documents.

An additional domestic water pump was installed as a back-up, in order to ensure reliability should the primary pump fail. The 2 UN Plaza restrooms underwent a complete gut renovation for the office areas, with new energy efficient lighting and fixtures.

The automatic transfer switches have all been upgraded in 2016. Security systems was also upgraded, with new monitoring hardware and software in 2017.

Documents Still Required

The following documents remain outstanding and should be submitted once they are available:

Please provide next-stage progress and final documents when available.

None. Previously requested documents have been provided.

Comments Requiring Clarification and Written Response by the Professionals of Record***Structural***

Previous comments have been addressed satisfactorily.

Architectural

Previous comments have been addressed satisfactorily.

Mechanical, Electrical, and Plumbing

Previous comments have been addressed satisfactorily.

SECTION VII - CONSTRUCTION COST REVIEW

Summary

We have reviewed the UNDC Project Budget Hard and Soft Costs that totals **\$231,828,935** based on the documents submitted and attached to this report. This Budget includes both Hard and Soft Costs associated with the project, with a Developer's Hard Cost Contingency of \$14,400,000 (7.9%), to provide for any changes in the scope (upgrades), unforeseen conditions and further development of the drawings and a Soft Cost Contingency of \$3,500,000 (10.7%).

The current budget also includes a Contractor's Construction Contingency totaling \$4,549,838 (2.6% of Estimate, or 3% of the Direct Work), to provide for any Subcontractor buy-out overruns, scope missed in the buy-out and General Conditions additional costs.

We noted Building 1-UNP contained additional items of work including:

- Partial new roofing
- Signature Lobby Renovation
- Storm Water Risers
- Chillers/Cooling Tower/VAV Boxes
- Generator/Lighting/Telecom/Electric Closets.

This budget is further broken-down in the following table:

BUDGET CATEGORY		DEVELOPER'S BUDGET
Subtotal 1&2-UNP	\$176,804,391	
Construction Contingency	<u>\$4,549,838</u>	
Turner GMP Budget 3/26/25	\$181,354,229	
UNDC Project Contingency	<u>\$14,400,000</u>	
Total Hard Costs		\$195,754,229
Subtotal Soft Costs	\$32,574,706	
Soft Cost Contingency	<u>3,500,000</u>	
Total Soft Costs		<u>\$36,074,706</u>
UNDC Budget 4/4/25 Hard & Soft Costs		\$231,828,935

As described in this report, the plans and specifications submitted for review generally show the scope of work intended. In addition, the latest budget, dated April 4, 2025, is sufficiently broken-down to evaluate the costs based on the documents reviewed and based on projects of similar size and scope.

We have reviewed the Developer's Hard & Soft Cost Budget in conjunction with the plans, specifications, and construction-related documents submitted. In our analysis, the Developer's Budget was reconfigured to a standard format. This required dividing some line items while combining others. The basic cost analysis parameters are taken off the drawings & documents and unit costs in \$/unit and % of budget are derived. These values are then compared to projects of similar size and scope contained in our in-house databank and recognized construction cost resources. All analysis values are adjusted to reflect this project locale.

This reports Contractor's General Conditions line item also contains the Contractor's costs for General Construction, Sidewalk Bridge, Scaffolding, Schedule Changes, Escalation, Logistics, SDI & CCIP Insurance.

The Hard Cost Budget totals \$195,754,229 and includes a Developer's Hard Cost Contingency of \$14,400,000 (7.9%). We have found the current Hard Cost Budget line items we reviewed are within an acceptable range of our anticipated cost, excluding Contingency.

The Soft Cost Budget totals \$36,074,706 and includes a Soft Cost Contingency of \$3,500,000 (10.7%). We have found the current Soft Cost Budget line items based primarily on Proposals & Agreements appear reasonable, excluding Contingency.

Based on the scope of work reviewed and the previously noted stage of development, together with the marginal variance between the Developer's estimate and our analysis values it is our opinion that the Hard & Soft Cost Project Budget of \$231,828,935 appears reasonable, and their respective Current Contingencies of 7.9% and 10.7%, at this time should be adequate to provide for unforeseen increases that develop during the construction of any project.

We have not considered any scope changes in our opinions of the reasonableness of the aforesaid Contingencies and as we do not opine on the sufficiency of certain Development, Financing and Acquisition Costs.

Please refer to the following **Discussion** for further analysis of the trade line-item costs presented.

Discussion

Hard Costs

Our analysis of the latest Hard Cost line-item budgets follows:

FUNCTION	DEVELOPER'S COST	JLL COST	VARIANCE \$ +/-
Bldg. 1 & 2-UNP			
Demolition & Abatement & Gen. Constr.	\$29,349,270	\$29,349,270	\$0
Superstructure	6,800,505	6,800,505	0
Exterior Glass/Metal/Façade	13,256,302	13,256,302	0
Window Film Glass Tinting	2,721,000	2,721,000	0
New Roofing at New Equipment	1,291,950	1,291,950	0
Misc. Metals	275,510	275,510	0
Interior Partitions	8,785,101	8,785,101	0
Finishes	2,288,009	2,288,009	0
Signature Lobby	10,000,000	10,000,000	0
Specialties	425,030	425,030	0
Plumbing	1,969,350	1,969,350	0
HVAC	29,953,120	29,953,120	0
Fire Protection	1,367,404	1,367,404	0
Electrical	15,218,787	15,218,787	0
Prepurchase Equipment (Chillers/Generator/etc)	6,796,581	6,796,581	0
Gen.Cond./Req.& Insur./Escal./Sch.Changes	42,420,043	42,420,043	0
Builder's Fee	3,886,429	3,886,429	0
Subtotal 1 & 2-UNP	\$176,804,391	\$176,804,391	0
Construction Contingencies	\$4,549,838	4,549,838	
Turner GMP Budget 3/26/25	\$181,354,229	\$181,354,229	
UNDC Project Contingency	14,400,000	N/A	
Total Hard Costs	\$195,754,229		

As described above, the Developer's Hard Cost Budget is within a reasonable range our estimate of probable costs.

Soft Costs

Our analysis of the current Soft Cost Budget follows:

FUNCTION	DEVELOPER'S COST	JLL COST	VARIANCE \$ +/-
Architecture & Engineering	\$14,083,000	\$14,083,000	\$0
FF&E	110,000	110,000	0
UNDC Management	7,500,000	7,500,000	0
Consultants Real Estate & Leasing	2,855,000	2,855,000	0
Issuance & Underwriting	5,116,590	N/A	
Building Back Charges	2,910,116	N/A	
Total Soft Costs	\$32,574,706	\$24,548,000	\$0
Soft Cost Contingency	3,500,000	N/A	
Total Soft Costs	\$36,074,706		
UNDC Budget 4/4/25 Hard & Soft Cost	\$231,828,935		

The preceding Soft Costs appear reasonable.

Currently, based on the scope of work reviewed and the previously noted stage of development, together with the marginal variance between the Developer's estimate and our analysis values it is our opinion that the Hard & Soft Cost Project Budget of \$231,828,935 appears reasonable, and their respective Current Contingencies of 7.9% and 10.7%, at this time should be adequate to provide for unforeseen increases that develop during the construction of any project.

We have not considered any scope changes in our opinions of the reasonableness of the aforesaid Contingencies and as we do not opine on the sufficiency of certain Development, Financing and Acquisition Costs.

Limiting Conditions

Our analysis assumes that the project will continue, uninterrupted, through completion by all trades. Our analysis values consider the current level of construction activity in the project's locale.

This report and cost analysis do not represent any consulting relating to asbestos or hazardous materials, and we assume no liability for the work, opinions, or reports of any other independent consulting firms engaged to do so. Our analysis does not include any costs for environmental work or hazardous waste removal. Significant changes to the scope of the project and/or extended delays will affect our estimates.

SECTION VIII - CONSTRUCTION SCHEDULE

A pair of revised updated Construction Schedules for the project were shared for this review. They are entitled “UNDC 1+2 UNP Repositioning Master Schedule INTERNAL” and “UNDC 1+2 UNP Repositioning Summary Schedule INTERNAL” both are dated December 18, 2024. The Master Schedule is 58-pages long and the Summary Schedule is 2-pages long. The schedules are attached.

The schedules indicates a start date of August 07, 2023 and finish date of January 14, 2030.

Key construction milestone dates, noted in the schedule are summarized as follows for the Project:

TASK	START	FINISH
Make-Ready	02/03/25	11/30/29
1 UN - Block #1	02/03/25	07/09/25
1 UN - Block #2	01/21/26	06/05/26
1 UN - Block #3	12/03/26	04/07/27
1 UN - Block #4	02/03/25	11/30/29
2 UN – Block #1	02/18/25	12/03/25
2 UN – Block #2	01/29/26	07/02/26
2 UN – Block #3	12/07/26	07/12/27
2 UN – Block #4	12/10/27	10/04/28
2 UN – Block #5	02/16/29	08/23/29
Central Plant	03/28/25	06/28/29
1 UN (BMS Backbone / MER / Generator Replacement / Stormwater Riser Replacement / Switchgear Fuse Replacement / Cx/Punchlist/Testing/Inspections - S/C	03/28/25	04/06/27
2 UN (BMS Backbone / MER / Cx/Punchlist/Testing/Inspections S/C	05/02/25	06/28/29
Façade Maintenance	02/13/25	11/30/29
1 UN Interior	02/13/25	11/30/29
2 UN Interior	03/26/25	08/01/29
Exterior Façade Maintenance	03/14/25	12/16/26
1 UN Plaza	05/09/25	10/09/26
2 UN Plaza	06/02/25	10/02/26
LL Office, Loading Dock, Common Area	02/03/25	01/14/30
Tenant Relocate	03/25/25	08/26/25
Sidewalk & Vault Restoration	02/16/29	08/03/29
Office Lobbies & Bike Room	11/25/25	08/26/27
Former School Space	08/10/29	01/02/30

It is our opinion, the 77-month projected term for the two buildings is reasonable for a project of this type and scope, provided adequate manpower is to be maintained throughout the construction term, and there are no delays caused by weather, strikes, material shortages, supply chain issues or other unexpected circumstances, or potential future forced shutdowns due to public health mandates.



We are enclosing our own Computerized Construction Chart on which we will plot actual construction progress versus the proposed construction progress. The chart is a comparison between the actual monies requisitioned to date against the overall hard cost budget. This chart will give you an idea as to how the project is anticipated to progress on a month-to-month basis.

SECTION IX - ATTACHMENTS

The following documents are attached to this report:

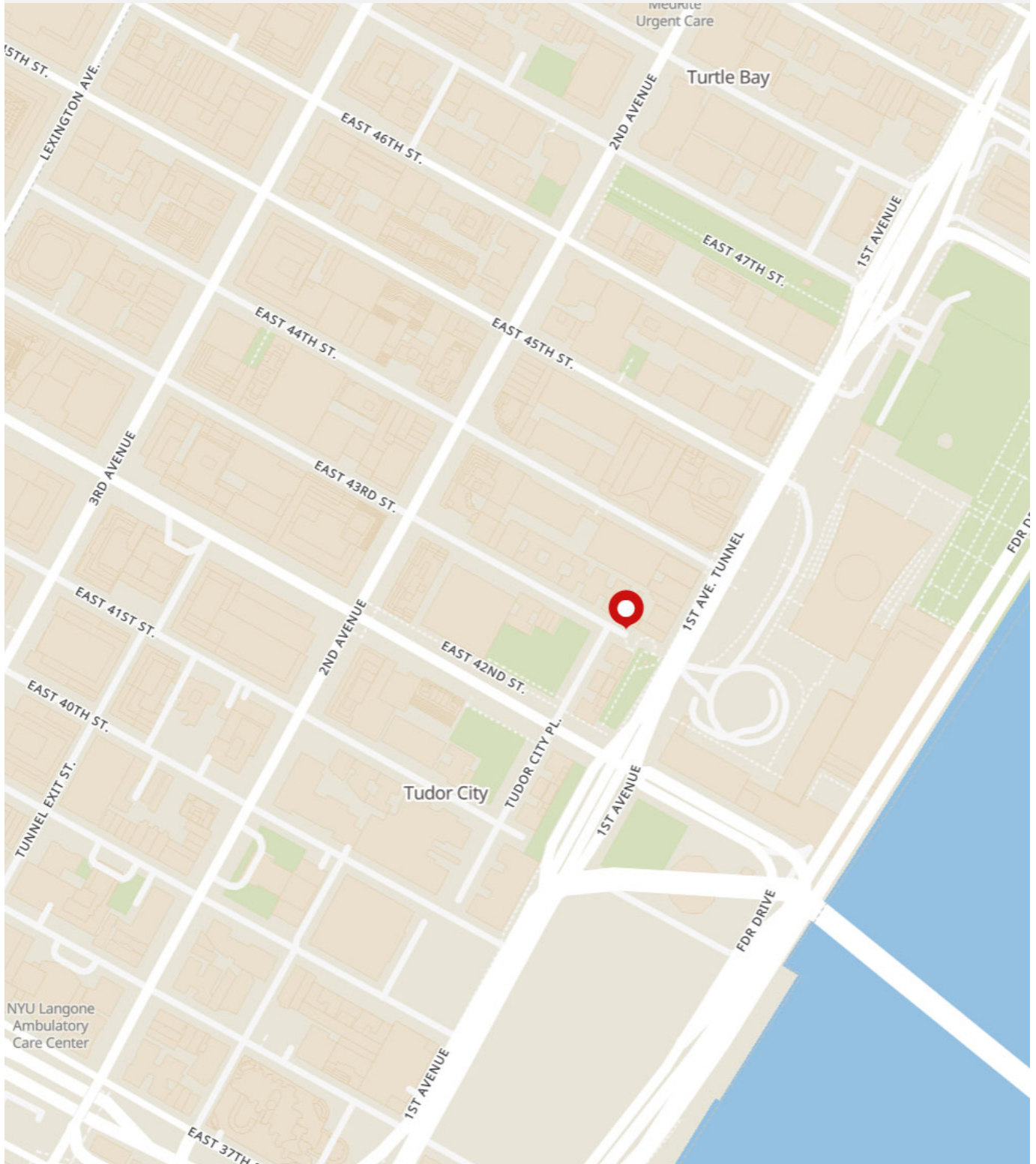
1. *Location Map of the Site*
2. *UNDC Budget, dated April 4, 2025*
3. *1&2 UN Plaza Guaranteed Maximum Price, Construction Budget, prepared by Turner Construction, dated March 26, 2025*
4. *JLL Summary of Cost Review*
5. *1 & 2 UN Plaza UNDC Summary Schedule, dated December 18, 2024*
6. *1 & 2 UN Plaza UNDC Master Schedule, dated December 18, 2024*
7. *JLL Computerized Construction Chart*

Project Site Map

Project Number: 27-420

Name: UN Plaza Buildings

Address: One and Two United Nations Plaza, New York, NY 10017



UNITED NATIONS DEVELOPMENT CORPORATION: ONE AND TWO UN PLAZA

SOURCES AND USES*

SOURCES [4/30/25 Closing]	
2024 Series A Bonds Funded at Closing	\$ 365,000,000
Corporation Equity Project Expenditures Prior to Closing	\$ [23,287,649]
Corporation Equity Funded at Closing	\$ [125,000,000]
Corporation Equity Post Closing (5/1/25 – 12/31/29)	\$ 41,124,310
<hr/>	
TOTAL SOURCES	\$ 554,411,959
Project Uses	
Hard Costs	\$ 181,354,229
Soft Costs and Other Charges	\$ 36,074,706
Tenant Concessions	\$ 166,613,556
Indenture Reserves	\$ 73,788,203
Cost of Refunding Prior Bonds	\$ [15,432,777]
<hr/>	
Total Project Uses	\$ 473,263,470
<hr/>	
Total Corporation Reserves	\$ 81,148,488
<hr/>	
TOTAL USES	\$ 554,411,959
<small>*Information sources include: UNDC, Goldman Sachs, Turner Construction Company, Cushman and Wakefield, Forsyth Street calculations, as of 4/1/2025. Subject to change. Numbers may not sum due to rounding.</small>	

\$14.4MM contingency included in this line item

4/4/25

CONFIDENTIAL DRAFT

K-53

UNITED NATIONS DEVELOPMENT CORPORATION: ONE AND TWO UN PLAZA

SOFT COSTS DETAILS*

Total Costs	
Construction and Real Estate	
Architecture and Engineering	\$ 14,083,000
FF & E	\$ 110,000
UNDC Project Management	\$ 7,500,000
Consultants Real Estate and Leasing	\$ 2,855,000
<i>Subtotal</i>	<i>\$ 24,548,000</i>
Cost of Issuance and Underwriting	
Cost of Issuance	\$ 1,941,500
Underwriters Discount	\$ 3,175,090
<i>Subtotal</i>	<i>\$ 5,116,590</i>
Building Back Charges	\$ 2,910,116
Soft Cost Contingency	\$ 3,500,000
Total Soft Costs and Other Charges	\$ 36,074,706
*Information sources include: UNDC, Goldman Sachs, Turner Construction Company, Cushman and Wakefield, Forsyth Street calculations, as of 4/1/2025. Subject to change. Numbers may not sum due to rounding.	

4/4/25

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Turner Construction Company
66 Hudson Boulevard East
New York, New York 10001
Phone: 212.229.6000
Fax: 212.229.6329

March 26, 2025

Robert A. Schubert
United Nations Development Corporation
2 UN Plaza
New York, New York

**Re: UNDC - Renovations & Base Building Upgrades
1 & 2 UN Plaza
New York, New York**

GUARANTEED MAXIMUM PRICE

Dear Mr. Robert A. Schubert

This Guaranteed Maximum Price (GMP) for the building infrastructure upgrade project at 1 and 2 UN Plaza totals **\$181,354,229 (ONE HUNDRED EIGHTY ONE MILLION THREE HUNDRED FIFTY FOUR THOUSAND TWO HUNDRED TWENTY NINE DOLLARS AND ZERO CENTS).**

Our cost proposal is based upon the following additional documentation attached:

- 1 Master Cost Summary
- 2 Master Summary of Unbought Allowances
- 3 Master General Assumptions and Clarifications
- 4 Master UBE Participation
- 5 Master General Conditions Study
- 6 Master AL Summary
- 7 Component 00 - Early Work Demo (EWD)
- 8 Component 01 - Make Ready (MR)
- 9 Component 02 - Façade (FAC)
- 10 Component 03 - Central Plant (CPU)
- 11 Component 04 - LL Office & Common Area Refresh (LLC)
- 12 Component 05 - Lobby Renovations (LOB)
- 13 Component 06 - Tenant Relocates (TEN)
- 14 Component 07 - 2UN IPS Sidewalk Vault (SWV)
- 15 Component 08 - 2UN Former School Space (FSS)
- 16 Component 09 - Fire Alarm Upgrades (FAU)

If this GMP meets with your acceptance, please indicate your approval by signing in the appropriate space below.
Please return one original executed copy of this letter and proposal.

Very truly yours,

Sara Kendall
VP & General Manager

Authorized Signature:

Robert B. Cole, Executive Vice President & General Counsel

Authorized Signature:

Rob Schubert, Director – Development & Construction

cc: L. Costello, L. Hickerson, E. Thorsteindottir, J. Obergfell, W. Dean, R. Arcadia

Project # 230344
File # Y23-014

A series of thin, black, overlapping lines forming a complex, abstract geometric pattern in the upper left quadrant of the page. The lines intersect to create various triangular and polygonal shapes, some of which are nested within others.

MASTER COST SUMMARY

**UNDC - Renovations & Base Building Upgrades
1 & 2 UN Plaza
New York, New York**

GUARANTEED MAXIMUM PRICE											
Cost Summary											
UCI Code	AL#	Trade	Trade Contractor	MWBE Trade Commitment	SDVOB Trade Commitment	Trade Contract		Supplementary Scope			OVERALL TOTALS
						RECOMMENDED Totals	Unbought Allowances	Accepted Alternates	Holds		
010000	-----	General Construction	Turner Interiors	-----	-----	\$10,181,630	\$5,785,052	\$0	\$4,000,000	\$19,966,682	
017423		Final Clean Up - CPU	-----	-----	-----	\$0	\$220,000	\$0	\$0	\$220,000	
024100	001a/b MR	Demolition - Make-Ready	Tri State Dismantling Corp.	55%	0%	\$8,072,850	\$87,800	\$0	\$0	\$8,160,651	
024100	018a/b CPU	Demolition - Central Plant	Tri State Dismantling Corp.	5%	0%	\$580,000	\$260,000	\$0	\$0	\$840,000	
024100	056 LLC	Demolition - LLC	Tri State Dismantling Corp.	4%	0%	\$55,038	\$12,000	\$0	\$0	\$67,038	
024100	058 TEN	Demolition - TEN	Tri State Dismantling Corp.	5%	0%	\$18,000	\$11,600	\$0	\$0	\$29,600	
024100	079 SWV	Demolition - SWV	Tri State Dismantling Corp.	5%	0%	\$115,000	\$11,000	\$0	\$0	\$126,000	
024100	089 FSS	Demolition - FSS	Tri State Dismantling Corp.	5%	0%	\$112,500	\$46,800	\$0	\$0	\$159,300	
033000	003 a/b MR	Concrete / Masonry / SOFP - Make-Ready	4D Construction Inc	69%	0%	\$1,747,983	\$775,000	\$0	\$0	\$2,522,983	
033000	019a/b CPU	Concrete / Masonry / SOFP - Central Plant	4D Construction	100%	0%	\$693,235	\$272,000	\$0	\$0	\$965,235	
033000	036 LLC	Concrete / Masonry / SOFP - LLC	4D Construction	80%	0%	\$58,725	\$14,500	\$0	\$0	\$73,225	
033000	059 TEN	Concrete / Masonry / SOFP - TEN	4D Construction, Inc.	100%	0%	\$43,000	\$28,400	\$0	\$0	\$71,400	
033000	080 SWV	Concrete / Masonry / SOFP - SWV	4D Construction	100%	0%	\$273,309	\$37,500	\$0	\$0	\$310,809	
033000	090 FSS	Concrete / Masonry / SOFP - FSS	4D Construction Inc.	100%	0%	\$68,330	\$65,600	\$0	\$0	\$133,930	
051000	004 a/b MR	Structural / Misc. Steel - Make-Ready	Empire City Iron Works	0%	0%	\$595,427	\$100,000	\$0	\$0	\$695,427	
051000	020a/b CPU	Structural / Misc. Steel - Central Plant	United Structural Works, Inc.	0%	0%	\$1,070,900	\$655,000	\$0	\$0	\$1,725,900	
051000	037 LLC	Structural / Misc. Steel - LLC	Kraman Iron Works, Inc.	0%	0%	\$115,562	\$20,000	\$0	\$0	\$135,562	
051000	081 SWV	Structural / Misc. Steel - SWV	MIDTOWN CONTRACTING LLC	30%	0%	\$151,034	\$15,000	\$0	\$0	\$166,034	
064000	038 LLC r1	Millwork - LLC	Metropolitan Woodwork	0%	0%	\$34,000	\$0	\$0	\$0	\$34,000	
064000	060 TEN	Millwork - TEN	Scanga Woodworking Corp.	0%	0%	\$93,797	\$10,000	\$0	\$0	\$103,797	
075000	021a/b CPU	Roofing / Waterproofing - CPU	Related Services LLC	12%	6%	\$581,450	\$405,000	\$0	\$0	\$986,450	
075000	082 SWV	Roofing / Waterproofing - SWV	Related Services LLC	25%	0%	\$221,000	\$25,000	\$0	\$0	\$246,000	
075000	091 FSS	Roofing / Waterproofing - FSS	Eagle One Roofing Contractors, Inc.	0%	0%	\$27,000	\$32,500	\$0	\$0	\$59,500	
083300	039 LLC	Coiling Doors / Grills - LLC	City Store Gates Mfg Corp	0%	0%	\$90,000	\$0	\$0	\$0	\$90,000	
084400	014 FAC	Glazed Curtain Wall - FAC	Platinum Maintenance Corp.	41%	6%	\$8,667,824	\$375,000	\$0	\$0	\$9,042,824	
088500	005 a/b MR	Windows - Make-Ready	Platinum Maintenance	7%	0%	\$143,800	\$50,000	\$0	\$0	\$193,800	
088500	015 FAC	Windows - FAC	Platinum Maintenance	12%	0%	\$3,899,678	\$40,000	\$0	\$0	\$3,939,678	
088500	057 FAC	Windows - FAC (Gasket Pre-purchase)	Platinum Maintenance	0%	0%	\$80,000	\$0	\$0	\$0	\$80,000	
088800	-----	Glass / Ornamental Metal - CPU	-----	0%	0%	\$0	\$20,000	\$0	\$0	\$20,000	
088800	040 LLC	Glass / Ornamental Metal - LLC	Commodore Construction Corp.	0%	0%	\$42,450	\$0	\$0	\$0	\$42,450	
088800	061_r1 TEN	Glass / Ornamental Metal - TEN	Empire Architectural Metal & Glass	20%	0%	\$203,060	\$10,000	\$0	\$0	\$213,060	
088870	016 FAC	Window Film / Glass Tinting - FAC	Tristate Sun Control dba Metrosolar	30%	6%	\$2,721,000	\$0	\$0	\$0	\$2,721,000	
092900	006 MR	Drywall / Ceilings - Make-Ready	Combined Resources Interiors, Inc.	17%	50%	\$5,852,400	\$509,800	\$0	\$0	\$6,362,200	
092900	022a/b CPU	Drywall / Ceilings - CPU	Curtis Partition Corp	100%	0%	\$382,800	\$295,000	\$0	\$0	\$677,800	
092900	041 LLC	Drywall / Ceilings - LLC	Curtis Partition Corp	100%	0%	\$501,500	\$46,000	\$0	\$0	\$547,500	
092900	062 TEN	Drywall / Ceilings - TEN	Curtis Partition Corp	100%	0%	\$819,900	\$143,000	\$0	\$0	\$962,900	
092900	092 FSS	Drywall / Ceilings - FSS	Curtis Partition Corp	100%	0%	\$111,501	\$33,200	\$0	\$0	\$144,701	
093100	042 LLC	Ceramic Tile / Stone - LLC	Silver Slate Group LLC	100%	0%	\$14,500	\$7,000	\$0	\$0	\$21,500	
093100	063 TEN	Ceramic Tile / Stone - TEN	Garcia Marble and Tile, Inc.	100%	0%	\$57,000	\$10,000	\$0	\$0	\$67,000	
093100	083 SWV	Ceramic Tile / Stone - SWV	Silver Slate Group	100%	0%	\$206,700	\$47,000	\$0	\$0	\$253,700	
096700	043 LLC	Specialty Flooring / Traffic Coating - LLC	Centron Enterprises	54%	0%	\$38,812	\$32,500	\$0	\$0	\$71,312	
096700	099 FSS	Specialty Flooring / Traffic Coating - FSS	Manhattan Painting & Decorating, Inc.	100%	0%	\$3,000	\$0	\$0	\$0	\$3,000	
096800	044 LLC	Carpet / Miscellaneous Flooring - LLC	GP Flooring	100%	0%	\$45,890	\$0	\$0	\$0	\$45,890	
096800	064 TEN	Carpet / Miscellaneous Flooring - TEN	GP Land and Carpet Corporation	100%	0%	\$117,996	\$10,000	\$0	\$0	\$127,996	
099100	007 MR	Painting / Wall Covering - Make-Ready	Manhattan Painting & Decorating Inc.	100%	0%	\$675,000	\$240,000	\$0	\$0	\$915,000	
099100	023 CPU	Painting / Wall Covering - CPU	Manhattan Painting & Decorating, Inc.	100%	0%	\$193,500	\$60,000	\$0	\$0	\$253,500	
099100	045 LLC	Painting / Wall Covering - LLC	FCS Group LLC	85%	0%	\$57,276	\$10,000	\$0	\$0	\$67,276	
099100	065 TEN	Painting / Wall Covering - TEN	Manhattan Painting & Decorating, Inc.	100%	0%	\$50,100	\$12,000	\$0	\$0	\$62,100	
099100	084 SWV	Painting / Wall Covering - SWV	Manhattan Painting & Decorating, Inc.	100%	0%	\$12,000	\$0	\$0	\$0	\$12,000	
099100	093 FSS	Painting / Wall Covering - FSS	Manhattan Painting & Decorating, Inc.	100%	0%	\$39,000	\$9,800	\$0	\$0	\$48,800	
101400	008 MR	Interior Signage - Make-Ready	Crown Sign Systems	100%	0%	\$159,000	\$25,000	\$0	\$0	\$184,000	

**UNDC - Renovations & Base Building Upgrades
1 & 2 UN Plaza
New York, New York**

GUARANTEED MAXIMUM PRICE										
Cost Summary										
UCI Code	AL#	Trade	Trade Contractor	MWBE Trade Commitment	SDVOB Trade Commitment	Trade Contract	Supplementary Scope			OVERALL TOTALS
						RECOMMENDED Totals	Unbought Allowances	Accepted Alternates	Holds	
101400	046 LLC	Interior Signage - LLC	Crown Sign Systems	100%	0%	\$11,490	\$0	\$0	\$0	\$11,490
101400	094 FSS	Interior Signage - FSS	Sign Design Group Of Ny, Inc.	100%	0%	\$5,648	\$0	\$0	\$0	\$5,648
#N/A	066 TEN	Demountable Office Front System - TEN	Transwall Office Systems, Inc.	0%	0%	\$198,916	\$25,000	\$0	\$0	\$223,916
102800	047 LLC	Specialties - LLC	Benco Inc.	100%	0%	\$4,900	\$5,000	\$0	\$0	\$9,900
102800	067 TEN	Specialties - TEN	Benco Inc.	100%	0%	\$21,200	\$500	\$0	\$0	\$21,700
114000	048 LLC	Food Service Equipment - LLC	Sam Tell	0%	0%	\$114,650	\$5,000	\$0	\$0	\$119,650
122000	049 LLC	Window Treatments - LLC	On Point Window Treatments	40%	0%	\$7,864	\$0	\$0	\$0	\$7,864
122000	068 TEN	Window Treatments - TEN	OnPoint Window Treatment	40%	0%	\$22,000	\$20,000	\$0	\$0	\$42,000
148000	017a/b FAC	Sidewalk Bridge / Scaffold - FAC	PJP Installers Inc	100%	0%	\$2,579,000	\$810,000	\$0	\$0	\$3,389,000
148000	024a/b CPU	Sidewalk Bridge / Scaffold - CPU	PJP Installers Inc	100%	0%	\$507,469	\$250,000	\$0	\$0	\$757,469
148000	085 SWV	Sidewalk Bridge / Scaffold - SWV	PJP Installers Inc	100%	0%	\$83,000	\$22,500	\$0	\$0	\$105,500
211300	009 a/b MR	Fire Protection - Make-Ready	Abco Peerless Sprinkler Corp.	28%	0%	\$849,000	\$50,400	\$0	\$0	\$899,400
211300	025a/b CPU	Fire Protection - CPU	Sirina Fire Protection Corp.	5%	0%	\$47,800	\$92,400	\$0	\$0	\$140,200
211300	050 LLC	Fire Protection - LLC	Sirina Fire Protection Corp.	8%	0%	\$61,604	\$8,400	\$0	\$0	\$70,004
211300	069 TEN	Fire Protection - TEN	Sirina Fire Protection Corp.	8%	0%	\$105,500	\$43,400	\$0	\$0	\$148,900
211300	086 SWV	Fire Protection - SWV	Abco Peerless Sprinkler Corp.	0%	0%	\$20,000	\$16,000	\$0	\$0	\$36,000
211300	095 FSS	Fire Protection - FSS	Sirina Fire Protection Corp.	0%	0%	\$32,900	\$15,000	\$0	\$0	\$47,900
220000	010 a/b MR	Plumbing - Make-Ready (UN1)	Mac Felder Inc.	30%	0%	\$435,250	\$0	\$0	\$0	\$435,250
220001	011 MR	Plumbing - Make-Ready (UN2)	Accardi plumbing & heating corp	0%	100%	\$461,480	\$0	\$0	\$0	\$461,480
220000	026a/b CPU	Plumbing - CPU	Maccarone Plumbing Inc.	20%	20%	\$471,000	\$215,000	\$0	\$0	\$686,000
220000	051 LLC	Plumbing - LLC	Mac Felder Inc.	27%	0%	\$109,750	\$20,000	\$0	\$0	\$129,750
220000	070 TEN	Plumbing - TEN	Lab Plumbing & Heating Co., Inc.	30%	0%	\$104,000	\$29,500	\$0	\$0	\$133,500
220000	087 SWV	Plumbing - SWV	Par Plumbing Co., Inc.	0%	0%	\$65,870	\$12,500	\$0	\$0	\$78,370
220000	096 FSS	Plumbing - FSS	Lab Plumbing & Heating Co., Inc.	0%	0%	\$40,000	\$5,000	\$0	\$0	\$45,000
230000	002 a/b MR	HVAC - Make-Ready	Shona Mechanical Inc.	8%	92%	\$6,279,420	\$518,000	\$0	\$0	\$6,797,420
230000	027a/b CPU	HVAC - CPU	Harbour Mechanical Corporation	29%	0%	\$11,208,000	\$1,230,000	\$0	\$0	\$12,438,000
230000	052 LLC	HVAC - LLC	Tristate Air Conditioning Inc.	100%	0%	\$515,000	\$0	\$0	\$0	\$515,000
230000	071 TEN	HVAC - TEN	Tristate Air Conditioning Inc.	100%	0%	\$535,000	\$107,500	\$0	\$0	\$642,500
230000	097 FSS	HVAC - FSS	Tristate Air Conditioning Inc.	100%	0%	\$339,000	\$148,200	\$0	\$0	\$487,200
230900	028a/b CPU	HVAC Instrumentation And Controls - CPU	Automated Building Management Systems	67%	0%	\$8,775,000	\$298,000	\$0	\$0	\$9,073,000
260000	012 a/b MR	Electrical - Make Ready	Nead Electric	29%	3%	\$6,308,500	\$442,600	\$0	\$0	\$6,751,100
260000	029a/b CPU	Electrical - CPU	Nead Electric, Inc.	30%	6%	\$4,426,000	\$970,000	\$0	\$0	\$5,396,000
260000	053 LLC	Electrical - LLC	Nead Electric, Inc.	28%	2%	\$576,990	\$75,000	\$0	\$0	\$651,990
260000	072 TEN	Electrical - TEN	AM NY Electric Corp.	100%	0%	\$982,500	\$107,000	\$0	\$0	\$1,089,500
260000	078 SWV	Electrical - SWV	Nead Electric, Inc.	0%	0%	\$6,413	\$8,000	\$0	\$0	\$14,413
260000	098 FSS	Electrical - FSS	Forest Electric Corp.	3%	0%	\$182,700	\$32,500	\$0	\$0	\$215,200
260000	100 FAU	Electrical - FAU	Elmhurst Electric Co.	100%	0%	\$640,158	\$200,000	\$0	\$0	\$840,158
263000	013 MR	Pre-Purchase Equipment (Electrical) - Make-Ready	Source Blue	55%	0%	\$362,556	\$30,000	\$0	\$0	\$392,556
263000	035 CPU	Pre-Purchase Equipment (Electrical) - Central Plant	Source Blue	0%	0%	\$328,757	\$37,500	\$0	\$0	\$366,257
270000	054 LLC	Telecommunications - LLC	D&D Ultimate Connection LLC	100%	0%	\$50,426	\$0	\$0	\$0	\$50,426
270000	073 TEN	Telecommunications - TEN	JATE Inc.	100%	0%	\$79,000	\$35,000	\$0	\$0	\$114,000
280000	-----	Security - CPU	-----	-----	-----	\$0	\$75,000	\$0	\$0	\$75,000
280000	-----	Security - TEN	-----	-----	-----	\$0	\$21,000	\$0	\$0	\$21,000
284600	-----	Fire Alarm - TEN	-----	0%	0.00%	\$0	\$25,000	\$0	\$0	\$25,000
#N/A	030 CPU	Pre-Purchase Equipment (HVAC - Chillers)	Source Blue	0%	0.00%	\$3,555,469	\$0	\$0	\$0	\$3,555,469
#N/A	031 CPU	Pre-Purchase Equipment (HVAC - Cooling Tower)	Source Blue	0%	0.00%	\$476,470	\$0	\$0	\$0	\$476,470
#N/A	032 CPU	Pre-Purchase Equi (HVAC - Pre-Fab HX)	Source Blue	60%	0.00%	\$1,148,246	\$0	\$0	\$0	\$1,148,246
#N/A	033 CPU	Pre-Purchase Equipment (HVAC - HX)	Source Blue	60%	0.00%	\$270,334	\$0	\$0	\$0	\$270,334
#N/A	034 CPU	Pre-Purchase Equipment (Elec) - Generator	Source Blue	0%	0.00%	\$587,249	\$0	\$0	\$0	\$587,249
#N/A	-----	Pre-Purchase Equipment (Elec) - Panelboards	-----	-----	-----	[With MR]	\$0	\$0	\$0	\$0
#N/A	-----	Lobby (Budget)	-----	-----	-----	\$10,000,000	\$0	\$0	\$0	\$10,000,000

**UNDC - Renovations & Base Building Upgrades
1 & 2 UN Plaza
New York, New York**

GUARANTEED MAXIMUM PRICE											
Cost Summary											
UCI Code	AL#	Trade	Trade Contractor	MWBE Trade Commitment	SDVOB Trade Commitment	Trade Contract	Supplementary Scope			OVERALL TOTALS	
						RECOMMENDED Totals	Unbought Allowances	Accepted Alternates	Holds		
		SUBTOTAL (DIRECT WORK)				\$114,088,936	\$16,880,952	\$0	\$4,000,000	\$134,969,889	
		Construction Contingency - 3% (on Direct Work (less EWD), Unbought Allowances and General Conditions)				\$3,923,409	\$506,429		\$120,000	\$4,549,838	
		SUBTOTAL (DIRECT WORK + CONTINGENCY)								\$139,519,726	
		SDI (Subcontractor Default Insurance) - 1.35% (on Direct Work and Contingency)				\$1,593,167	\$234,730		\$55,620	\$1,883,516	
		General Conditions								\$16,691,370	
		Fee - 2.45% (on Cost of Work = Direct Work and General Conditions)				\$3,204,117	\$413,583		\$98,000	\$3,715,701	
		CPL Insurance 0.0061% (on DW, UA, Holds, Cont., GC's and Fee)				\$8,482	\$1,030		\$244	\$9,756	
		Insurance - 7.35% (on DW, UA, Holds, Cont., GC's and Fee)				\$10,219,870	\$1,240,750		\$294,000	\$11,754,620	
		TOTAL PROJECT VOLUME								\$173,574,689	
		EWD									\$7,779,540
		Direct Work + General Requirements								\$4,740,909	
		Contingency [Transferred above]								\$0	
		General Conditions								\$2,723,957	
		Fee								\$170,728	
		Corporate Insurance								\$143,946	
		TOTAL PROJECT VOLUME (FINAL)								\$181,354,226	

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MASTER SUMMARY OF UNBOUGHT ALLOWANCES

UNDC - Renovations & Base Building Upgrades
1 & 2 UN Plaza
New York, New York

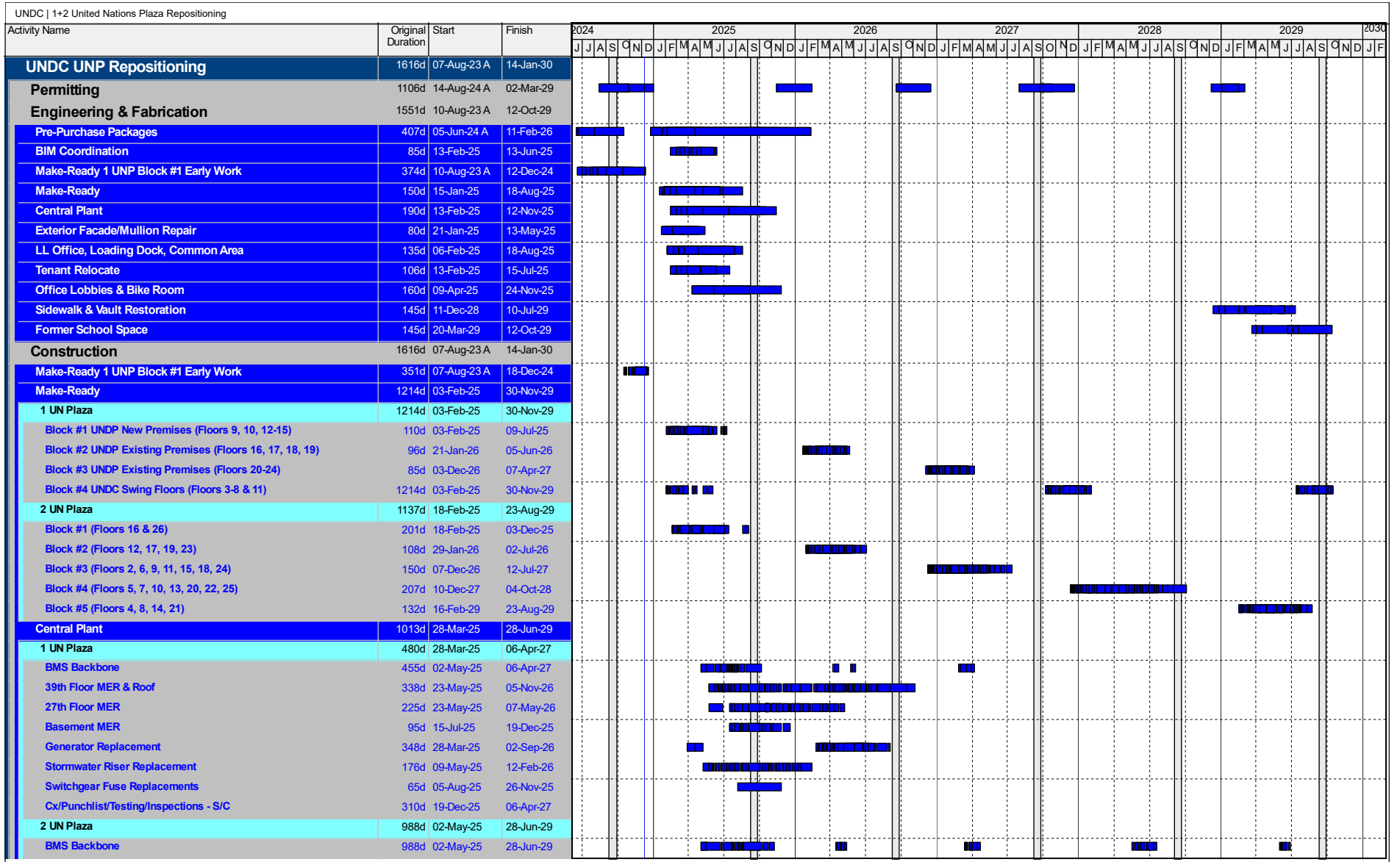
GUARANTEED MAXIMUM PRICE						
Summary of Unbought Allowances (Not Included in Trade Contract Totals)						
Item #	Description	Qty	Unit	Unit Price	Cost	System Total
	<u>TOTAL</u>					\$20,880,952
1	Unbought Allowances				\$16,880,952	
2	Holds				\$4,000,000	
	<u>COMPONENT 01 - MAKE READY (MR)</u>					\$4,138,600
1	Unbought Allowances	1	LS	\$3,638,600	\$3,638,600	
2	Holds	1	LS	\$500,000	\$500,000	
	<u>COMPONENT 02 - FAÇADE (FAC)</u>					\$2,625,000
1	Unbought Allowances	1	LS	\$1,625,000	\$1,625,000	
2	Holds	1	LS	\$1,000,000	\$1,000,000	
	<u>COMPONENT 03 - CENTRAL PLANT (CPU)</u>					\$10,852,740
1	Unbought Allowances	1	LS	\$9,352,740	\$9,352,740	
2	Holds	1	LS	\$1,500,000	\$1,500,000	
	<u>COMPONENT 04 - LL OFFICE & COMMON AREA REFRESH (LLC)</u>					\$270,328
1	Unbought Allowances	1	LS	\$270,328	\$270,328	
2	Holds	1	LS	\$0	\$0	
	<u>COMPONENT 05 - LOBBIES (LOB)</u>					\$1,000,000
1	Unbought Allowances	1	LS	\$0	\$0	
2	Holds	1	LS	\$1,000,000	\$1,000,000	
	<u>COMPONENT 06 - TENANT RELOCATE - 8TH FLOOR (TEN)</u>					\$1,158,900
1	Unbought Allowances	1	LS	\$1,158,900	\$1,158,900	
2	Holds	1	LS	\$0	\$0	
	<u>COMPONENT 07 - IPS SIDEWALK VAULT (SWV)</u>					\$202,000
1	Unbought Allowances	1	LS	\$202,000	\$202,000	
2	Holds	1	LS	\$0	\$0	
	<u>COMPONENT 08 - FORMER SCHOOL SPACE (FSS)</u>					\$433,384
1	Unbought Allowances	1	LS	\$433,384	\$433,384	
2	Holds	1	LS	\$0	\$0	
	<u>COMPONENT 09 - FIRE ALARM UPGRADE (FAU)</u>					\$200,000
1	Unbought Allowances	1	LS	\$200,000	\$200,000	
2	Holds	1	LS	\$0	\$0	

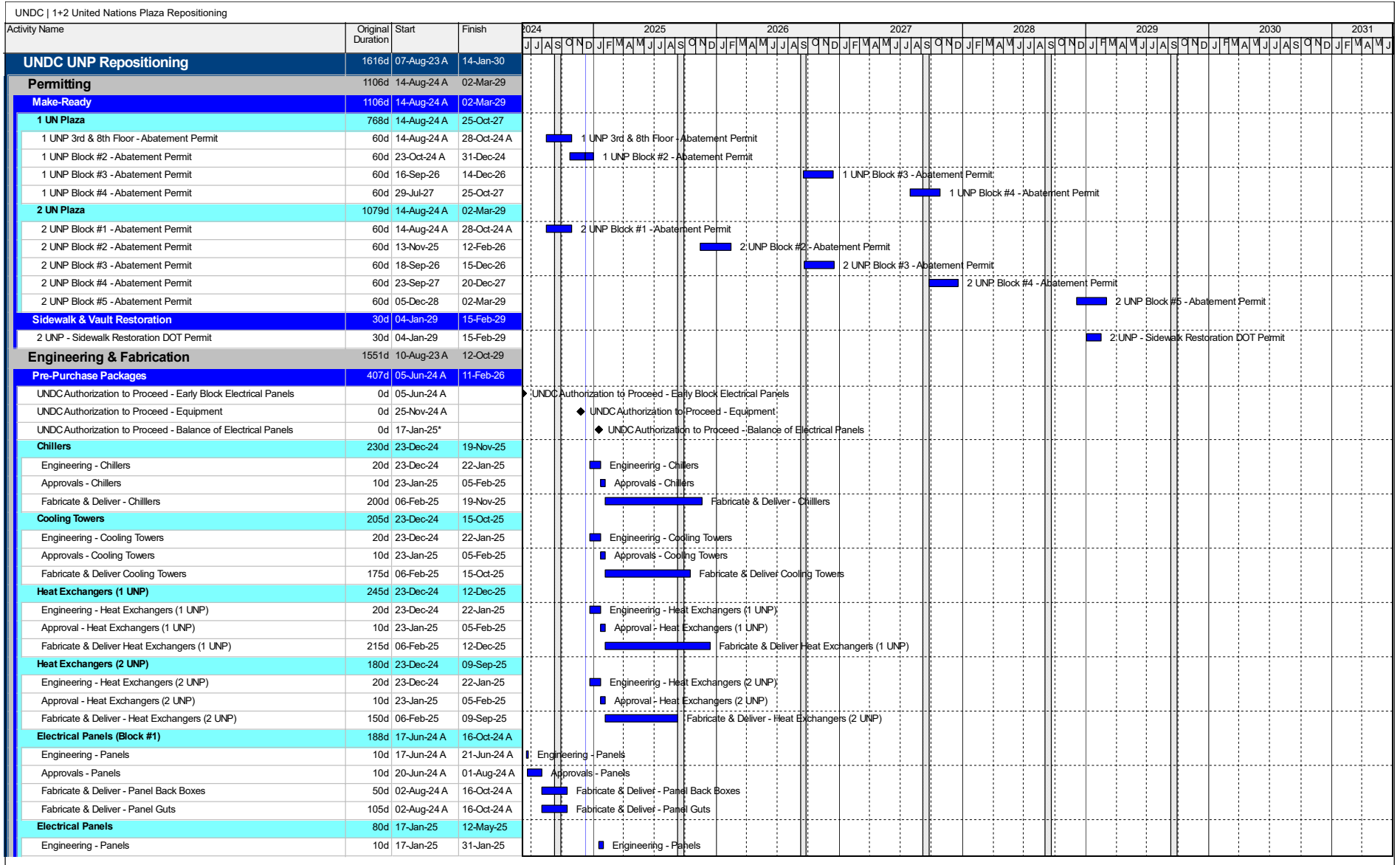
Jones Lang LaSalle Americas, Inc. - SUMMARY OF COST REVIEW

Project Name:	UN Plaza Buildings 1 & 2	Building Type:	Office	
Project Number:	27-420	Location:	New York, NY	Renovation of 26-story & 28-story office floors
Project Manager:	TBD	Location Factor:	1.32	below upper hotel floors
Cost Analyst:	Carmine Carpentier William Murawski	Date:	4/8/2025	

FUNCTION	DEVELOPER'S COST	JLL COST	DEVEL. %/TOT	JLL %/TOT	DEVEL. \$/UNIT	JLL \$/UNIT	QUANTITY	UNIT	VARIANCE % +/-	IMPACT % +/-	TOTAL \$ \$ +/-
<u>Bldg. 1 & 2-UNP</u>											
Demolition & Abatement & Gen. Constr.	\$29,349,270	\$29,349,270	16.60	16.60	\$53.59	\$53.59	547,700	Reno. Space	0.00	0.00	\$0
Superstructure	6,800,505	6,800,505	3.85	3.85	\$12.42	\$12.42	547,700	Reno. Space	0.00	0.00	0
Exterior Glass/Metal/Façade	13,256,302	13,256,302	7.50	7.50	\$27.99	\$27.99	473,600	Ext. Wall	0.00	0.00	0
Window Film Glass Tinting	2,721,000	2,721,000	1.54	1.54	\$5.75	\$5.75	473,600	Ext. Wall	0.00	0.00	0
New Roofing at New Equipment	1,291,950	1,291,950	0.73	0.73	\$109	\$109	11,900	Roof Area	0.00	0.00	0
Misc. Metals	275,510	275,510	0.16	0.16	\$0.50	\$0.50	547,700	Reno. Space	0.00	0.00	0
Interior Partitions	8,785,101	8,785,101	4.97	4.97	\$16.04	\$16.04	547,700	Reno. Space	0.00	0.00	0
Finishes	2,288,009	2,288,009	1.29	1.29	\$4.18	\$4.18	547,700	Reno. Space	0.00	0.00	0
Signature Lobby	10,000,000	10,000,000	5.66	5.66	\$4,000	\$4,000	2,500	Lobby Space	0.00	0.00	0
Specialties	425,030	425,030	0.24	0.24	\$0.78	\$0.78	547,700	Reno. Space	0.00	0.00	0
Plumbing	1,969,350	1,969,350	1.11	1.11	\$3.60	\$3.60	547,700	Reno. Space	0.00	0.00	0
HVAC	29,953,120	29,953,120	16.94	16.94	\$54.69	\$54.69	547,700	Reno. Space	0.00	0.00	0
Fire Protection	1,367,404	1,367,404	0.77	0.77	\$2.50	\$2.50	547,700	Reno. Space	0.00	0.00	0
Electrical	15,218,787	15,218,787	8.61	8.61	\$27.79	\$27.79	547,700	Reno. Space	0.00	0.00	0
Prepurchase Equipment (Chillers/Generator/etc.)	6,796,581	6,796,581	3.84	3.84	\$12.41	\$12.41	547,700	Reno. Space	0.00	0.00	0
Gen.Cond./Req.& Insur./Escal./Sch.Changes	42,420,043	42,420,043	23.99	23.99	34.29%	34.29%		% of Total	0.00	0.00	0
Builder's Fee	3,886,429	3,886,429	2.20	2.20	2.25%	2.25%		% of Total	0.00	0.00	0
Subtotal 1 & 2-UNP	\$176,804,391	176,804,391	100.00	100.00	\$322.81	\$322.81	547,700	Reno. Space			\$0
Construction Contingencies	\$4,549,838	4,549,838			2.57%	2.57%		% of Const. Cost			
Turner GMP Budget 3/26/25	\$181,354,229	\$181,354,229									
UNDC Project Contingency	14,400,000	N/A			7.94%			% of Hard Cost			
Total Hard Costs	195,754,229										
<u>Soft Costs</u>											
Architecture & Engineering	14,083,000	14,083,000			7.19%	7.19%		% of Hard Costs			0
FF&E	110,000	110,000			0.06%	0.06%		% of Hard Costs			0
UNDC Management	7,500,000	7,500,000			3.83%	3.83%		% of Hard Costs			0
Consultants Real Estate & Leasing	2,855,000	2,855,000			1.46%	1.46%		% of Hard Costs			0
Issuance & Underwriting	5,116,590	N/A			2.61%			% of Hard Costs			
Building Back Charges	2,910,116	N/A			1.49%			% of Hard Costs			
Total Soft Costs	32,574,706	24,548,000			16.64%	12.54%					\$0
Soft Cost Contingency	3,500,000	N/A			10.74%			% of Soft Costs			
Total Soft Costs	36,074,706										
UNDC 4/4/25 Hard & Soft Cost	\$231,828,935										

* The Developer's cost has been altered to conform to functional cost system





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Project Information

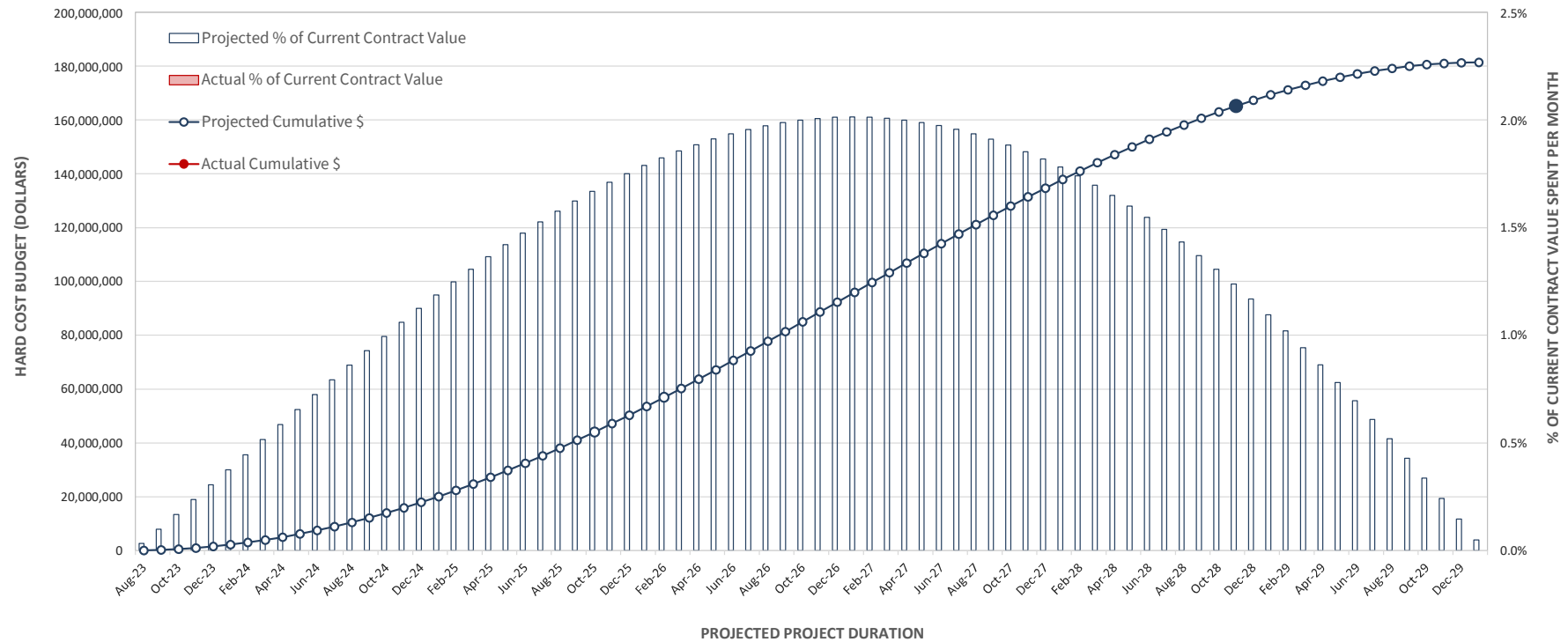
Actual Start Date: 8/7/2023
Original Completion: 1/14/2030
Projected Completion: 1/14/2030
Current Contract Value: \$181,354,229
Projected Duration (Months): 77



Construction S-Curve

Projected Progress vs. Actual Progress

Project Name: United Nations Plaza Buildings
Project Number: 27-420
1st S.O. Date: TBD



Monthly Snapshot

Month: Period:	Aug-23 1	Sep-23 2	Oct-23 3	Nov-23 4	Dec-23 5	Jan-24 6	Feb-24 7	Mar-24 8	Apr-24 9	May-24 10	Jun-24 11	Jul-24 12	Aug-24 13	Sep-24 14
Projected Cumulative %:	0.0%	0.1%	0.3%	0.5%	0.8%	1.2%	1.7%	2.2%	2.8%	3.4%	4.1%	4.9%	5.8%	6.7%
Actual Cumulative %:														
Cumulative % Delta:														
Projected Cumulative \$:	59,984	241,291	545,694	974,628	1,529,199	2,210,189	3,018,067	3,952,992	5,014,825	6,203,134	7,517,200	8,956,030	10,518,359	12,202,660
Actual Cumulative \$:														
Projected Monthly \$:	59,984	181,307	304,403	428,934	554,571	680,990	807,878	934,925	1,061,833	1,188,308	1,314,066	1,438,830	1,562,329	1,684,301
Actual Monthly \$:														
Gain/Loss Indicator:														

Project Information

Actual Start Date: 8/7/2023
Original Completion: 1/14/2030
Projected Completion: 1/14/2030
Current Contract Value: \$181,354,229
Projected Duration (Months): 77



Project Name: United Nations Plaza Buildings
Project Number: 27-420
1st S.O. Date: TBD

Projected Monthly Snapshot Full Project Duration

Month:	Period:	Projected Cumulative %:	Actual Cumulative %:	Cumulative % Delta	Projected Cumulative \$:	Actual Cumulative \$:	Projected Monthly \$:	Actual Monthly \$:
Aug-23	1	0.03%			59,984		59,984	
Sep-23	2	0.13%			241,291		181,307	
Oct-23	3	0.30%			545,694		304,403	
Nov-23	4	0.54%			974,628		428,934	
Dec-23	5	0.84%			1,529,199		554,571	
Jan-24	6	1.22%			2,210,189		680,990	
Feb-24	7	1.66%			3,018,067		807,878	
Mar-24	8	2.18%			3,952,992		934,925	
Apr-24	9	2.77%			5,014,825		1,061,833	
May-24	10	3.42%			6,203,134		1,188,308	
Jun-24	11	4.15%			7,512,200		1,314,066	
Jul-24	12	4.94%			8,956,030		1,438,830	
Aug-24	13	5.80%			10,518,359		1,562,329	
Sep-24	14	6.73%			12,202,660		1,684,301	
Oct-24	15	7.72%			14,007,152		1,804,492	
Nov-24	16	8.78%			15,929,806		1,922,654	
Dec-24	17	9.91%			17,968,354		2,038,548	
Jan-25	18	11.09%			20,120,295		2,151,941	
Feb-25	19	12.34%			22,382,904		2,262,609	
Mar-25	20	13.65%			24,753,238		2,370,334	
Apr-25	21	15.01%			27,228,146		2,474,908	
May-25	22	16.43%			29,804,273		2,576,127	
Jun-25	23	17.91%			32,478,072		2,673,799	
Jul-25	24	19.43%			35,245,806		2,767,735	
Aug-25	25	21.01%			38,103,562		2,857,756	
Sep-25	26	22.63%			41,047,253		2,943,691	
Oct-25	27	24.30%			44,072,628		3,025,375	
Nov-25	28	26.01%			47,175,280		3,102,651	
Dec-25	29	27.76%			50,350,651		3,175,371	
Jan-26	30	29.55%			53,594,042		3,243,392	
Feb-26	31	31.38%			56,900,622		3,306,580	
Mar-26	32	33.23%			60,265,431		3,364,809	
Apr-26	33	35.12%			63,683,389		3,417,959	
May-26	34	37.03%			67,149,308		3,465,919	
Jun-26	35	38.96%			70,657,893		3,508,585	
Jul-26	36	40.92%			74,203,754		3,545,861	
Aug-26	37	42.89%			77,781,411		3,577,657	
Sep-26	38	44.88%			81,385,303		3,603,892	
Oct-26	39	46.88%			85,009,795		3,624,492	
Nov-26	40	48.88%			88,649,186		3,639,392	
Dec-26	41	50.89%			92,297,717		3,648,531	
Jan-27	42	52.91%			95,949,576		3,651,859	
Feb-27	43	54.92%			99,598,909		3,649,333	
Mar-27	44	56.93%			103,239,824		3,640,915	
Apr-27	45	58.93%			106,866,401		3,626,578	
May-27	46	60.92%			110,472,701		3,606,299	
Jun-27	47	62.89%			114,052,768		3,580,067	
Jul-27	48	64.85%			117,600,642		3,547,874	
Aug-27	49	66.78%			121,110,364		3,509,722	
Sep-27	50	68.69%			124,575,984		3,465,620	
Oct-27	51	70.58%			127,991,570		3,415,586	
Nov-27	52	72.43%			131,351,211		3,359,641	
Dec-27	53	74.25%			134,649,031		3,297,820	
Jan-28	54	76.03%			137,879,191		3,230,160	
Feb-28	55	77.77%			141,035,900		3,156,709	
Mar-28	56	79.47%			144,113,420		3,077,520	
Apr-28	57	81.12%			147,106,076		2,992,656	
May-28	58	82.72%			150,008,262		2,902,186	
Jun-28	59	84.26%			152,814,448		2,806,186	
Jul-28	60	85.75%			155,519,190		2,704,742	
Aug-28	61	87.19%			158,117,134		2,597,945	
Sep-28	62	88.56%			160,603,029		2,485,894	
Oct-28	63	89.86%			162,971,726		2,368,697	
Nov-28	64	91.10%			165,218,194		2,246,469	
Dec-28	65	92.27%			167,337,525		2,119,330	
Jan-29	66	93.37%			169,324,937		1,987,412	
Feb-29	67	94.39%			171,175,788		1,850,851	
Mar-29	68	95.33%			172,885,580		1,709,792	
Apr-29	69	96.19%			174,449,966		1,564,387	
May-29	70	96.97%			175,864,762		1,414,796	
Jun-29	71	97.67%			177,125,948		1,261,186	
Jul-29	72	98.28%			178,229,680		1,103,732	
Aug-29	73	98.80%			179,172,298		942,617	
Sep-29	74	99.23%			179,950,329		778,031	
Oct-29	75	99.56%			180,560,499		610,171	
Nov-29	76	99.80%			180,999,740		439,241	
Dec-29	77	99.95%			181,265,196		265,455	
Jan-30	78	100.00%			181,354,229		89,033	

APPENDIX L

INFORMATION CONCERNING THE CITY OF NEW YORK

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THE CITY OF NEW YORK

This Appendix consists of information which was furnished to the Corporation by The City of New York (the “City”). Although the Corporation considers the sources to be reliable, the Corporation has made no independent verification of the information presented herein and does not warrant its accuracy. The City will not be liable on the Series 2025 Bonds and the Series 2025 Bonds will not be a debt of the City. The obligation of the City to pay the amounts due under the City Backup Lease and the City Support Agreement is subject to, and dependent upon, the making of annual appropriations by the City and the availability of moneys to fund such payments.

The factors affecting the City’s financial condition described throughout this Appendix are complex and are not intended to be summarized in this Introductory Statement. The economic and financial condition of the City may be affected by various changes in laws, including tax law, financial, social, economic, political, geo-political and environmental factors, cybersecurity threats, terrorist events, hostilities or war, outbreak of infectious diseases, and other factors which could have a material effect on the City’s economic and financial condition. For a discussion of additional factors affecting the City’s financial condition, see below under “SECTION I: INTRODUCTORY STATEMENT,” “SECTION VII: FINANCIAL PLAN—Assumptions” and “EXHIBIT A—ECONOMIC AND DEMOGRAPHIC INFORMATION—New York City Economy.” This Appendix should be read in its entirety.

Because the City is a large and complex entity, information about it changes on an ongoing basis. This Appendix may be updated to include certain information reflecting changes since the date of this Preliminary Official Statement. In such event, the City will revise this paragraph to direct readers to the specific sections of this Appendix in the final official statement relating to the Series 2025 Bonds that have been updated.

SECTION I: INTRODUCTORY STATEMENT

The purpose of this Appendix is to provide information on certain factors affecting the City and its general economic background to those considering purchasing the Series 2025 Bonds.

This Appendix contains forecasts, projections and estimates that are based on expectations and assumptions which existed at the time such forecasts, projections and estimates were prepared. In light of the important factors that may materially affect economic conditions in the City, the inclusion in this Appendix of such forecasts, projections and estimates should not be regarded as a representation by the City or its independent auditors that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results. If and when included in this Appendix, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates” and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the City. These forward-looking statements speak only as of the date they were prepared. The City disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the City’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based between modifications to the City’s financial plan required by law.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Appendix for purposes of Rule 15c2-12 adopted by the United States Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934.

The City, with an estimated population of approximately 8.5 million as of July 2024, is an international center of business and culture. Its economy is broadly based, with the banking, securities, insurance, technology, information, publishing, fashion, design, retailing, education and health care industries accounting for a significant portion of the City’s total employment earnings. Additionally, the City is a leading tourist destination.

For each of the 1981 through 2024 fiscal years, the City’s General Fund had an operating surplus, before discretionary and other transfers, and achieved balanced operating results as reported in accordance with generally accepted accounting principles (“GAAP”), after discretionary and other transfers and except for the application of Governmental Accounting Standards Board (“GASB”) Statement No. 49 (“GASB 49”) and without regard to certain fund balances, which may be carried forward as described below. City fiscal years end on June 30 and are referred to by the calendar year in which they end. The City has been required to close substantial gaps between forecast revenues and forecast expenditures in order to maintain balanced operating results. There can be no assurance that the City will continue to maintain balanced operating results as required by New York State (the “State”) law without proposed tax or other revenue increases or reductions in City services or entitlement programs, which could adversely affect the City’s economic base.

As required by the New York State Financial Emergency Act for The City of New York (the “Financial Emergency Act” or the “Act”) and the New York City Charter (the “City Charter”), the City prepares a four-year annual financial plan, which is reviewed and revised on a quarterly basis and which includes the City’s capital, revenue and expense projections and outlines proposed gap-closing programs for years with projected budget gaps. The City’s current financial plan projects budget balance in the 2025 and 2026 fiscal years in accordance with GAAP except for the application of GASB 49 and without regard to certain fund balances, which may be carried forward as described below. In 2010, the Financial Emergency Act was amended to waive the budgetary impact of GASB 49 by enabling the City to continue to finance with bond proceeds certain pollution remediation costs. In addition, the City may, without violating its budget balance requirements, carry forward to a subsequent fiscal year or fiscal years unspent balances from certain funds restricted as to their use, as well as balances in the Health Insurance Stabilization Fund, School Crossing Guards Health Insurance Fund, Management Benefits Fund and Revenue Stabilization Fund. For information regarding the Revenue Stabilization Fund, see “SECTION VII: FINANCIAL PLAN—Revenue Stabilization Fund.” The City’s current financial plan projects budget gaps for the 2027 through 2029 fiscal years. A pattern of

current year balance and projected future year budget gaps has been consistent through the entire period since 1982, during which the City has achieved an excess of revenues over expenditures, before discretionary and other transfers, for each fiscal year. For information regarding the City budget process, see “SECTION III: GOVERNMENT AND FINANCIAL CONTROLS—City Financial Management, Budgeting and Controls—*The City Budget Process*.” For information regarding the current financial plan, see “SECTION I: RECENT FINANCIAL DEVELOPMENTS” and “SECTION VII: FINANCIAL PLAN.” For information regarding the 2010 amendment of the Financial Emergency Act with respect to the application of GASB 49 to the City budget, see “SECTION III: GOVERNMENT AND FINANCIAL CONTROLS.” The City is required to submit its financial plans to the New York State Financial Control Board (the “Control Board”). For further information regarding the Control Board, see “SECTION III: GOVERNMENT AND FINANCIAL CONTROLS—City Financial Management, Budgeting and Controls—*Financial Review and Oversight*.”

For its normal operations, the City depends on aid from the State both to enable the City to balance its budget and to meet its cash requirements. There can be no assurance that there will not be delays or reductions in State aid to the City from amounts currently projected; that State budgets for future State fiscal years will be adopted by the April 1 statutory deadline, or interim appropriations will be enacted; or that any such reductions or delays will not have adverse effects on the City’s cash flow or expenditures. In addition, the City and the State have made various assumptions with respect to federal aid. Future federal actions or inactions could have adverse effects on the City, both directly and indirectly through State aid to localities reductions that will need to be taken in the absence of additional federal aid to the State. See “SECTION II: RECENT FINANCIAL DEVELOPMENTS—2025-2029 Financial Plan.”

The Mayor is responsible for preparing the City’s financial plan which relates to the City and certain entities that receive funds from the City. The financial plan is modified quarterly. The City’s projections set forth in the financial plan are based on various assumptions and contingencies which are uncertain and which may not materialize. Such assumptions and contingencies include the condition of the international, national, regional and local economies, the provision of State and federal aid and other State and federal actions and inactions, such as the potential consequences of not resolving the federal debt ceiling negotiations, the impact on City revenues and expenditures of any future federal or State legislation and policies affecting the City and the cost of pension structures and healthcare. See “SECTION II: RECENT FINANCIAL DEVELOPMENTS.”

Implementation of the financial plan is dependent on the City’s ability to successfully market its bonds and notes. Implementation of the financial plan is also dependent upon the ability to market the securities of other financing entities including the New York City Municipal Water Finance Authority (the “Water Authority”) and the New York City Transitional Finance Authority (“TFA”). See “SECTION VII: FINANCIAL PLAN—Financing Program.” The success of projected public sales of City, Water Authority, TFA and other bonds and notes will be subject to prevailing market conditions. Future developments in the financial markets generally, as well as future developments concerning the City, and public discussion of such developments, may affect the market for outstanding City general obligation bonds and notes.

The City Comptroller and other agencies and public officials, from time to time, issue reports and make public statements which, among other things, state that projected revenues and expenditures may be different from those forecast in the City’s financial plans. See “SECTION VII: FINANCIAL PLAN—Certain Reports.”

SECTION II: RECENT FINANCIAL DEVELOPMENTS

For the 2024 fiscal year, the City's General Fund had a total surplus of \$4.4 billion, before discretionary and other transfers, and achieved balanced operating results in accordance with GAAP, except for the application of GASB 49 and without regard to certain fund balances permitted to be carried forward as described in "SECTION I: INTRODUCTORY STATEMENT," after discretionary and other transfers. The 2024 fiscal year was the forty-fourth consecutive year that the City achieved balanced operating results when reported in accordance with GAAP, except for the application of GASB 49 and without regard to certain fund balances permitted to be carried forward as described in "SECTION I: INTRODUCTORY STATEMENT."

2025-2029 Financial Plan

For June 30, 2024, the City submitted to the Control Board the financial plan for the 2024 through 2028 fiscal years (the "June Financial Plan"), which was consistent with the City's capital and expense budgets as adopted for the 2025 fiscal year. On November 20, 2024, the City submitted to the Control Board a modification to the June Financial Plan (as so modified, the "November Financial Plan"). On January 16, 2025, the Mayor released the preliminary budget for the 2026 fiscal year and the City submitted to the Control Board a modification to the November Financial Plan for the 2025 through 2029 fiscal years (as so modified, the "Financial Plan").

The Financial Plan projects revenues and expenses for the 2025 and 2026 fiscal years balanced in accordance with GAAP, except as described above, and projects gaps of approximately \$4.25 billion, \$5.38 billion and \$5.08 billion in fiscal years 2027, 2028 and 2029, respectively. The June Financial Plan had projected revenues and expenses for the 2024 and 2025 fiscal years balanced in accordance with GAAP, except as described above, and had projected gaps of approximately \$5.5 billion, \$5.59 billion and \$6.47 billion in fiscal years 2026 through 2028, respectively.

The Financial Plan reflects, since the June Financial Plan, increases in projected net revenues of \$1.43 billion, \$2.02 billion, \$1.24 billion and \$1.31 billion in fiscal years 2025 through 2028, respectively. Changes in projected revenues include: (i) increases in real property tax revenues of \$59 million, \$209 million, \$163 million and \$299 million in fiscal years 2025 through 2028, respectively; (ii) increases in personal income tax and pass-through entity tax revenues of \$124 million and \$210 million in fiscal years 2025 and 2026, respectively; (iii) increases in business tax revenues of \$1.09 billion, \$1.58 billion, \$1.01 billion and \$1.02 billion in fiscal years 2025 through 2028, respectively; (iv) decreases in sales tax revenues of \$83 million, \$71 million, \$40 million and \$42 million in fiscal years 2025 through 2028, respectively; (v) decreases in real estate transaction tax revenues of \$24 million, \$17 million, \$53 million and \$58 million in fiscal years 2025 through 2028, respectively; (vi) increases in hotel tax revenues of \$18 million, \$26 million, \$38 million and \$10 million in fiscal years 2025 through 2028, respectively; and (vii) increases in other tax revenues of \$131 million, \$109 million, \$142 million and \$117 million in fiscal years 2025 through 2028, respectively.

Changes in net projected revenues also include (i) increases in non-tax revenues of \$100 million, \$45 million, \$39 million and \$38 million in fiscal years 2025 through 2028, respectively; (ii) decreases in personal income tax revenues of \$63 million, \$65 million and \$68 million in fiscal years 2026 through 2028, respectively, due to increases in tax refunds if the proposed "Axe the Tax" program is enacted; and (iii) an increase in unrestricted aid revenues of \$16 million in fiscal year 2025.

The Financial Plan also reflects, since the June Financial Plan, net decreases in projected net expenditures of \$916 million, \$1.14 billion and \$109 million in fiscal years 2025 through 2027, respectively, and a net increase in projected net expenditures of \$225 million in fiscal year 2028. Changes in projected expenditures include: (i) increases in agency expenses of \$3.77 billion, \$883 million, \$708 million and \$719 million in fiscal years 2025 through 2028, respectively; (ii) decreases in projected personal services and other than personal services expenses of \$316 million in fiscal year 2025 and \$56 million in each of fiscal years 2026 through 2028; (iii) decreases in certain costs of providing services to asylum seekers of \$1.53 billion, \$1.40 billion, and \$400 million in fiscal years 2025 through 2027, respectively; (iv) decreases in certain labor reserves expenses of \$400 million in fiscal year 2025; (v) decreases in pension contributions of \$276 million, \$519 million, \$351 million and \$542 million in fiscal years 2025 through 2028, respectively; (vi) decreases in debt service of \$221 million, \$45 million and \$10 million in fiscal years 2025 through 2027, respectively, and an increase in debt service of \$104 million in fiscal year 2028; (vii) a decrease in the general reserve of \$1.15 billion in fiscal year 2025; (viii) a decrease in the capital stabilization reserve of \$250 million in fiscal

year 2025; (ix) a decrease of \$550 million in fiscal year 2025 reflecting a re-estimate of prior years' expenses and receivables.

The Financial Plan reflects, since the June Financial Plan, provision of \$2.34 billion for the prepayment in fiscal year 2025 of fiscal year 2026 expenses, resulting in an equivalent expenditure reduction in fiscal year 2026.

The Financial Plan assumes total federal categorical grants of \$9.69 billion, \$7.37 billion, \$7.19 billion, \$7.24 billion and \$7.31 billion in fiscal years 2025 through 2029, respectively.

The City receives significant funding from the federal government for community development, social services, education and other purposes pursuant to various federal programs. The Trump administration has issued a series of executive orders and other policy documents and notices which, if legally enforceable and fully implemented, would impact federal spending programs, including federal funds payable to the City and City related entities, including the New York City Housing Authority ("NYCHA") and the New York City Health and Hospitals Corporation ("NYCHH"). The City has received several notices from the federal government related to specific federal funding which may result in a pause, delay or termination of the City's receipt of federal funds for the identified programs. The City expects to receive additional notices in the future. The City is reviewing the relevant orders, policy documents and notices, and continues to analyze their potential impact on the City. It is not possible at this time to predict the effect these executive orders, notices or other potential changes, when taken individually or as a whole, will have on the City's economy and the Financial Plan. To the extent that implementation of these executive orders or related policy documents and notices would result in the material reduction of federal aid to the City, the City expects to take appropriate actions to seek to maintain such aid. There can be no guarantee that implementation of these or future executive orders or other efforts to limit federal funding will not result in reductions or delay in receiving such aid. Legislative proposals which could restrict eligibility for federal grants have also been introduced in Congress. The likelihood of such proposals being enacted, or the impact such proposals may have on the City if enacted, cannot be determined at this time, but any such impact may be significant. For further information concerning federal grants to the City, see "SECTION IV: SOURCES OF CITY REVENUES—Federal and State Categorical Grants."

On February 11, 2025, without any prior administrative notice or process, the federal government clawed back approximately \$80 million of federal grant funds for asylum seeker costs, which the City had received in early February. On February 19, 2025, the City received a letter from the Department of Homeland Security ("DHS")/Federal Emergency Management Agency ("FEMA") notifying the City that such clawed back funds, along with approximately \$37 million of asylum seeker grants awarded but not yet received by the City, are being withheld temporarily. Additionally, the letter states that such funds, as well as federal grant funds for asylum seeker costs of approximately \$25.5 million and \$45.1 million, received by the City on July 25, 2024, and January 7, 2025, respectively, are subject to additional monitoring and review by DHS/FEMA. Such monitoring and review could result in a reduction of such federal funding. The City is reviewing additional options available to it in response to the February 19, 2025 letter, including pursuing an appeal of FEMA's decision to temporarily withhold payments. On February 21, 2025, the City filed suit in federal court, seeking a preliminary and permanent injunction and temporary restraining order against the federal government related to such funds. On March 5, 2025, the Court denied the City's request for a temporary restraining order. On March 20, 2025, the City filed an amended complaint. The City is reviewing the options available to it related to this litigation.

The Governor's Executive Budget for the State released January 21, 2025 (the "Governor's Executive Budget") includes proposals which, if enacted, will result in increased costs to the City. Such proposals, the costs of which are not reflected in the Financial Plan, include: (i) a requirement that the City contribute a total of \$3 billion towards the Metropolitan Transportation Authority's ("MTA") 2025-2029 Capital Program, concurrent with a required State contribution of \$3 billion; (ii) a requirement that the City continue to fund the MTA's net paratransit operating deficit at the lower of 80% of the deficit or 50% of the deficit plus \$165 million in each of fiscal years 2026, 2027, 2028 and 2029; and (iii) a requirement that the City fund an increase in school bus services available after 4 p.m., which is expected to cost the City \$1.4 million in fiscal year 2026, with a statutory increase tied to Consumer Price Index in each additional year of the Financial Plan. In addition, as discussed below, the Governor's Executive Budget does not include any of the additional State funding for City asylum seeker costs assumed in the Financial Plan. The State budget for State fiscal year 2025-2026 is expected to be adopted in April 2025. The Governor's Executive Budget includes a proposal which, if enacted, would restructure the amortization payment schedules of unfunded pension liabilities for certain pension systems. For further information, see "SECTION IX: PENSION SYSTEMS AND OPEB." The

Governor's Executive Budget is a proposal and there can be no assurance that any legislation described in the preceding paragraphs will be enacted as currently proposed, or that the State Legislature will not make changes that have an adverse impact on the Financial Plan projections contained herein.

The Financial Plan reflects costs for asylum seeker services of \$3.28 billion in fiscal year 2025 and \$2.66 billion in fiscal year 2026, which matches the City's projections for such costs using data available as of January 2025. The Financial Plan reflects costs for asylum seeker services of \$2.60 billion, \$850 million and \$850 million in fiscal years 2027 through 2029, respectively. The City does not have projections for such costs for fiscal years 2027 through 2029. Total projected costs include a ten percent contingency on base estimates to account for the lag between census reductions and the realization of savings through corresponding operational changes. The City continues to monitor the costs of providing asylum seeker services. The costs for asylum seeker services reflected in the Financial Plan include funding from a combination of State, City, and federal sources. The Financial Plan reflects State funding for asylum seeker services of \$1.32 billion, \$1.0 billion, \$1.0 billion, \$350 million and \$350 million in fiscal years 2025 through 2029, respectively. The City now estimates it will receive \$1.2 billion of the \$1.32 billion of State funding reflected in the Financial Plan for fiscal year 2025, although actual amounts will vary based on actual expenses and any new funding commitments made by the State. While the Financial Plan reflects additional State funding for asylum seeker costs in fiscal years 2026 and beyond, the Governor's Executive Budget does not include funding for such costs. The Financial Plan reflects \$60 million and \$59 million in federal funds reimbursements for costs related to asylum seekers in fiscal years 2025 and 2026, respectively, with no federal funding reflected in fiscal years 2027 and beyond. As noted above, the federal government clawed back approximately \$80 million of federal grant funds for asylum seeker costs, which the City had received in early February. As discussed above, on February 21, 2025, the City filed suit in federal court against the federal government related to such funds. In addition, as discussed above, the City received a letter from FEMA/DHS on February 19, 2025, related to these funds as well as approximately \$107 million of other federal funding previously awarded to the City for asylum seeker costs. The City is reviewing additional options available to it in response to these actions.

On May 25, 2023, the City Council passed four bills that substantially expand eligibility for the City's housing rental assistance voucher program for individuals and families who are experiencing or are at risk of homelessness. The bills lift existing eligibility requirements that applicants for vouchers reside or have resided in a City administered shelter, expand income eligibility from 200% of the federal poverty level to 50% of area median income, eliminate all work requirements for some households, and expand eligibility to households that have received written demands for payment of past rent. The Mayor vetoed the bills on June 23, 2023, noting fiscal, operational, policy and legal issues presented by the legislation. The City Council voted to override the vetoes on July 13, 2023. The resulting laws, comprised of Local Law Numbers 99, 100, 101 and 102 of 2023, each took effect on January 9, 2024. The City Commissioner of Social Services advised the City Council, by letter dated December 15, 2023, that in light of the issues identified in the Mayor's veto messages, the City would not be implementing the local laws at that time. The Legal Aid Society filed a lawsuit in the New York State Supreme Court, New York County on February 14, 2024, against the City. On February 21, 2024, the City Council moved to intervene in the Legal Aid Society's lawsuit. The Mayor disputed the merits of these claims. On August 1, 2024, the Court denied the petitions from Legal Aid Society and from the City Council, ruling that the Mayor established that the four bills are invalid as preempted by State law. The City Council and Legal Aid Society noticed appeals to the Appellate Division, First Department. Those appeals have been fully briefed and oral argument was heard on February 4, 2025. If a court were to determine that these laws require that each eligible individual and family be provided with a rental assistance voucher, the Mayor estimates that they would cost the City approximately \$17.0 billion over the years of the Financial Plan. The full fiscal impact of implementing these laws in this manner is not reflected in the Financial Plan. For further information, see "SECTION X: OTHER INFORMATION—Litigation—*Miscellaneous*."

The Financial Plan does not reflect for fiscal years 2026 through 2029, the full cost of complying with the requirements included in the State fiscal year 2024 budget ("State 2024 Budget") that adoption, foster care, and related service providers be compensated at 100% of maximum State aid rates, which is expected to cost the City up to \$139 million per fiscal year.

The Financial Plan does not reflect the full cost of complying with a State law enacted in 2022 which mandates certain maximum class sizes in public school kindergarten through twelfth grades, to be phased in over five years. The City met the minimum class size requirement in fiscal years 2024 and 2025. For the City to meet the minimum class size requirement in fiscal year 2026 and beyond additional funding, not currently reflected in the Financial Plan,

is required. Such additional funding required is estimated to be up to \$1.9 billion in City expense funding per fiscal year when the law is fully phased in by fiscal year 2028, with additional capital funding required for the construction of new capacity. The total amount of additional capital funding required has not yet been determined but is likely significant. In addition, the Financial Plan does not fully reflect likely future costs for legally mandated tuition for special education students unilaterally placed by their families in private school settings or for other privately provided services for special education students in private school settings. The City is closely monitoring these costs and while the amounts are not currently known, they are likely to be significant.

The State fiscal year 2021 budget included a requirement that the City increase its funding of the Metropolitan Transportation Authority's ("MTA") net paratransit operating deficit from 33% to 50%. The State 2024 Budget further required the City to increase its funding in fiscal years 2024 and 2025 from 50% to the lower of 80% of the deficit or 50% of the deficit plus \$165 million. The City's Financial Plan reflects \$505 million in fiscal year 2025, and \$175 million in each of fiscal years 2026 through 2029 to cover the City's contributions for paratransit services, compared to the MTA's November 2024 financial plan estimates of \$499 million, \$510 million, \$550 million, \$577 million, and \$602 million in fiscal years 2025 through 2029, respectively. Although the State 2024 Budget only mandated the above-described increases for fiscal years 2024 and 2025, the MTA's financial plan assumes City funding for paratransit in fiscal year 2026 and beyond will remain at such increased levels. The Governor's Executive Budget includes a proposal that the City continue to fund the MTA's net paratransit operating deficit at the lower of 80% of the deficit or 50% of the deficit plus \$165 million in each of fiscal years 2026, 2027, 2028 and 2029. The City will continue to monitor the anticipated paratransit costs for future years. The Financial Plan does not reflect full funding to cover projected increases in the annual operating deficit of the MTA Bus Company, which the City is obligated to fund. The Financial Plan reflects \$508 million in fiscal year 2025 and \$490 million in each of fiscal years 2026 through 2029 compared to MTA's estimate of such costs of \$521 million, \$591 million, \$717 million, \$765 million and \$773 million in fiscal years 2026 through 2029, respectively. On January 5, 2025 congestion tolling for vehicles entering a designated congestion zone in Manhattan below 60th Street, with revenues to be directed to the MTA for transit improvements, went into effect. On February 19, 2025, the Secretary of the U.S. Department of Transportation ("DOT") provided written notification to the Governor stating that the Federal Highway Administration would rescind its prior approval of the congestion tolling program. The DOT instructed the State to cease collection of tolls by March 21, 2025, and later extended that deadline to April 20, 2025. The MTA is challenging this determination in federal court. Although the program has no direct impact on the City's budget, if the DOT's termination of the program is enacted and legally enforceable and MTA's revenues are reduced, the City may be asked to increase its funding to the MTA. In addition, in a letter dated March 18, 2025, DOT directed the MTA to provide certain information relating to the MTA's plan to ensure safety on the New York City transit system and to document all sources of funding used in safety programs. For further information on New York City Transit, see "SECTION VII: FINANCIAL PLAN—Assumptions—*Expenditure Assumptions*—2. OTHER THAN PERSONAL SERVICES COSTS—*New York City Transit*."

On January 31, 2019, NYCHA, the City and the U.S. Department of Housing and Urban Development ("HUD") entered into an agreement (the "HUD Agreement") relating to lead-based paint and other health and safety concerns in NYCHA's properties. The HUD Agreement established a framework by which NYCHA will continue to evaluate and progress towards compliance with federal requirements. Pursuant to the HUD Agreement, a federal monitor, with access to NYCHA information and personnel, was appointed to oversee NYCHA's compliance with the terms of the agreement and federal regulations. The first term of the monitorship ran from 2019-2024 and a second term with a new monitor began on February 28, 2024. The federal monitor has issued and will continue to issue quarterly reports on NYCHA's compliance with the HUD Agreement. Also pursuant to the HUD Agreement, the City allocated \$1.7 billion in capital funding in the Capital Commitment Plan for fiscal years 2025-2029 (the "2025-2029 Capital Commitment Plan"), with an additional \$1.2 billion in City capital funds reflected in the remaining years of the Preliminary Ten-Year Capital Strategy for fiscal years 2030 through 2035. In addition to the capital available pursuant to the HUD Agreement, the Preliminary Ten-Year Capital Strategy reflects \$1.3 billion in additional City capital to NYCHA in fiscal years 2026 through 2035. NYCHA subsequently announced that it may be out of compliance with a number of federal regulations beyond the regulations concerning lead-based paint and other health and safety concerns that were the subject of the HUD Agreement and is implementing a series of organizational reforms to address additional areas where the need for change was identified, as documented in NYCHA's Transformation Plan. A NYCHA Physical Needs Assessment released in July 2023 estimated its projected capital costs at approximately \$60 billion over the next five years and \$78 billion over the next twenty years. As part of NYCHA's strategy to fund these repairs, NYCHA plans to recapitalize 62,000 units through the Permanent Affordability Commitment Together ("PACT") program and 25,000 units through the New York City Public Housing Preservation Trust (the "Housing

Preservation Trust”). The 2025-2029 Capital Commitment Plan reflects a total of \$1.6 billion of City capital funding towards PACT and the Housing Preservation Trust projects.

NYCHA’s cumulative rent collection rate is 65% for the period beginning January 2024 through December 2024, which includes rental arrears due from prior years which remain unpaid. The corresponding rate for calendar year 2019, prior to the pandemic was 88%. As of February 2025, prior years’ rental arrears total \$545 million. The high prior years’ arrears balance has had a direct impact on NYCHA’s revenues and has required NYCHA to use reserves for basic expenses, eliminate budgeted vacancies, and reduce nonessential contracting. While this projected shortfall does not directly impact the City’s budget, if NYCHA is unable to collect on its prior year rental arrears, the City could be asked to increase its funding to NYCHA. To date, NYCHA has applied approximately \$150 million of the \$161 million in funding from the State’s Emergency Rental Assistance Program (“ERAP”) to pay rental and utility arrears accumulated during the COVID-19 pandemic. An additional \$35 million in ERAP funds has been allocated for rental arrears but has not yet been applied to tenant accounts. Additionally, on January 5, 2024, HUD approved the City’s HOME American Rescue Plan Allocation where \$150 million was allocated towards NYCHA tenant arrears.

NYCHA receives significant federal funding and is monitoring the potential impact of recent federal executive orders and other actions which may impact NYCHA’s receipt of such funding. Although any reduction in direct federal funding to NYCHA does not directly impact the City’s budget, if NYCHA’s revenues are reduced, the City could be asked to increase its funding to NYCHA.

The New York City Advisory Commission on Property Tax Reform was established in 2018 to consider changes to the City’s property taxation system, without reducing property tax revenues to the City. The commission released its report in December 2021 with recommendations which, among other things, would align the taxable value of certain properties more closely with market value. The commission’s recommendations, which have not yet been acted upon, would require State legislation if they were to be implemented. For information on litigation related to the City’s property taxation system, see “SECTION X: OTHER INFORMATION—Litigation.”

On September 25, 2024, Mayor Eric Adams was indicted by the United States on charges relating to wire fraud, bribery and soliciting contributions from foreign nationals. On September 27, 2024, Mayor Adams entered a not guilty plea to the charges. On February 14, 2025, the United States filed a motion seeking dismissal without prejudice of the charges in the indictment. On April 2, 2025, the court dismissed the charges with prejudice.

On February 20, 2025, the Governor announced several initiatives that, if enacted, would impact the City. These proposals include providing additional funding, using City tax dollars, for the Office of the State Deputy Comptroller for the City of New York (“OSDC”), authorizing the City Comptroller, City Council, and the Public Advocate to retain counsel to commence litigation against the federal government to the extent the Law Department refrains from doing so, and establishing a Special Inspector General for New York City Affairs within the Office of the State Inspector General. These proposals would require state legislative approval, and in certain circumstances could require action by the City Council. These initiatives, if enacted, are not expected to have a material impact on the Financial Plan.

From time to time, the City Comptroller, the Control Board staff, OSDC, the Independent Budget Office (“IBO”) and others issue reports and make public statements regarding the City’s financial condition, commenting on, among other matters, the City’s financial plans, projected revenues and expenditures and actions by the City to eliminate projected operating deficits. It is reasonable to expect that reports and statements will continue to be issued and may contain different perspectives on the City’s budget and economy and may engender public comment. For information on reports issued on the Financial Plan by the City Comptroller and others reviewing, commenting on and identifying various risks therein, see “SECTION VII: FINANCIAL PLAN—Certain Reports.”

The State

The State ended its 2024 fiscal year with an operating surplus in its general fund (the “General Fund”) of \$7.4 billion (compared to a surplus of \$15.4 billion the previous year), increasing the General Fund balance to \$50.3 billion. The State Legislature completed action on the approximately \$237 billion State 2025 Budget for its 2025 fiscal year on April 20, 2024. The State 2025 Budget provides for balanced operations on a cash basis in the General Fund,

as required by law. The State Annual Information Statement, dated May 24, 2024, as updated February 20, 2025 (the “Annual Information Statement”), reflects the State’s Fiscal Year 2026 Executive Budget Financial Plan, as updated for the Governor’s amendments and forecast revisions (the “State Financial Plan”). The State budget for State fiscal year 2025-2026 is expected to be adopted in April, 2025.

In the Annual Information Statement, the State projects General Fund surpluses of \$3.5 billion and \$1.8 billion in fiscal years 2025 and 2026, respectively, and General Fund gaps of \$4.0 billion, \$7.4 billion and \$11.8 billion in fiscal years 2027 through 2029, respectively. The State’s projections reflect an assumption that the Governor will continue to propose, and the State Legislature will continue to enact, balanced budgets in future years that limit annual growth in State operating funds to no greater than 2%.

The State Financial Plan and the Annual Information Statement identify a number of additional risks inherent in the implementation of the State Financial Plan. Such risks include, but are not limited to, the costs of provision of care for asylum seekers, the impact of COVID-19 on State revenue sources and the State’s financial condition; the condition of the national and State economies, and the collection of economically sensitive tax receipts in the amounts projected; national and international events; inflation; consumer confidence; commodity prices; supply chain disruptions; major terrorist events; hostilities or war; climate change and extreme weather events; severe epidemic or pandemic events; cybersecurity threats; federal policies, funding laws and regulations; financial sector compensation; monetary policy affecting interest rates and the financial markets; credit rating agency actions; the impact of financial and real estate market developments on bonus income and capital gains realizations; technology industry developments and employment; the effect of household debt on consumer spending and State tax collections; the outcome of litigation and other claims affecting the State; wage and benefit increases for State employees that exceed projected annual costs; changes in the size of the State’s workforce; the realization of the projected rate of return for pension fund assets and current assumptions with respect to wages for State employees affecting the State’s required pension fund contributions; the willingness and ability of the federal government to provide the aid projected in the State Financial Plan; the ability of the State to implement cost reduction initiatives, including reduction in State agency operations, and the success with which the State controls expenditures; unanticipated growth in Medicaid program costs; and the ability of the State and public authorities to issue securities successfully in the public credit markets.

SECTION III: GOVERNMENT AND FINANCIAL CONTROLS

Structure of City Government

The City of New York is divided into five counties, which correspond to its five boroughs. The City, however, is the only unit of local government within its territorial jurisdiction with authority to levy and collect taxes, and is the unit of local government primarily responsible for service delivery. Responsibility for governing the City is currently vested by the City Charter in the Mayor, the City Comptroller, the City Council, the Public Advocate and the Borough Presidents.

- *The Mayor.* Eric Adams, the Mayor of the City, took office on January 1, 2022. The Mayor is elected in a general election for a four-year term and is the chief executive officer of the City. The Mayor has the power to appoint the commissioners of the City's various departments. The Mayor is responsible for preparing and administering the City's annual Expense and Capital Budgets (as defined below) and financial plan. The Mayor has the power to veto local laws enacted by the City Council, but such a veto may be overridden by a two-thirds vote of the City Council. The Mayor has powers and responsibilities relating to land use and City contracts and all residual powers of the City government not otherwise delegated by law to some other public official or body. The Mayor is also a member of the Control Board.
- *The City Comptroller.* Brad Lander, the Comptroller of the City, took office on January 1, 2022. The City Comptroller is elected in a general election for a four-year term and is the chief fiscal officer of the City. The City Comptroller has extensive investigative and audit powers and responsibilities which include keeping the financial books and records of the City. The City Comptroller's audit responsibilities include a program of performance audits of City agencies in connection with the City's management, planning and control of operations. In addition, the City Comptroller is required to evaluate the Mayor's budget, including the assumptions and methodology used in the budget. The Office of the City Comptroller is responsible under the City Charter and pursuant to State law and City investment guidelines for managing and investing City funds for operating and capital purposes. The City Comptroller is also a member of the Control Board and is a trustee, the custodian and the delegated investment advisor of the City's five pension systems.
- *The City Council.* The City Council is the legislative body of the City and consists of the Public Advocate and 51 members elected for four-year terms who represent various geographic districts of the City. Under the City Charter, the City Council must annually adopt a resolution fixing the amount of the real estate tax and adopt the City's annual Expense Budget and Capital Budget. The City Council does not, however, have the power to enact local laws imposing other taxes, unless such taxes have been authorized by State legislation. The City Council has powers and responsibilities relating to franchises and land use and as provided by State law.
- *The Public Advocate.* Jumaane Williams was elected as Public Advocate in a special election and took office in March 2019 to hold office until December 31, 2019. Through a second special election held in November 2019, Mr. Williams was elected to complete the remainder of a four year term which began on January 1, 2018. Mr. Williams was elected to a second term commencing on January 1, 2022. The Public Advocate is elected in a general election for a four-year term. The Public Advocate is first in the line of succession to the Mayor in the event of the disability of the Mayor or a vacancy in the office, pending an election to fill the vacancy. The Public Advocate appoints a member of the City Planning Commission and has various responsibilities relating to, among other things, monitoring the activities of City agencies, the investigation and resolution of certain complaints made by members of the public concerning City agencies and ensuring appropriate public access to government information and meetings.
- *The Borough Presidents.* Each of the City's five boroughs elects a Borough President who serves for a four-year term concurrent with other City elected officials. The Borough Presidents consult with the Mayor in the preparation of the City's annual Expense Budget and Capital Budget. Five percent of discretionary increases proposed by the Mayor in the Expense Budget and, with certain exceptions, five percent of the appropriations supported by funds over which the City has substantial discretion proposed by the Mayor in the Capital Budget, must be based on appropriations proposed by the Borough Presidents. Each Borough President also appoints one member to the Panel for Educational Policy (as described below) and has various responsibilities

relating to, among other things, reviewing and making recommendations regarding applications for the use, development or improvement of land located within the borough, monitoring and making recommendations regarding the performance of contracts providing for the delivery of services in the borough and overseeing the coordination of a borough-wide public service complaint program.

On November 2, 2010, the City Charter was amended to provide that no person shall be eligible to be elected to or serve in the office of Mayor, Public Advocate, City Comptroller, Borough President or Council member if that person has previously held such office for two or more consecutive full terms, unless one full term or more has elapsed since that person last held such office. Such term limit applies only to officials first elected to office on or after November 2, 2010.

City Financial Management, Budgeting and Controls

The City Budget Process

The City's annual expense budget (the "Expense Budget") covers the City's operating expenditures for municipal services, while the City's capital budget (the "Capital Budget" and, together with the Expense Budget, the "Budgets") covers expenditures for capital projects, as defined in the City Charter, in each case for the fiscal year commencing July 1. Operations under the Expense Budget must reflect the aggregate expenditure limitations contained in the financial plan, as described below.

Pursuant to the City Charter, in January, the Mayor submits to the City Council the Preliminary Budget for the ensuing fiscal year, followed by the Mayor's submission of the Executive Budget for such fiscal year due by May 1, pursuant to the most recent Charter amendment. The City Council is responsible for reviewing and adopting the Budgets. Pursuant to the City Charter, the City Council may increase, decrease, add or omit specific units of appropriation in the Budgets submitted by the Mayor and add, omit or change any terms or conditions related to such appropriations. However, the Mayor has the power to veto any increase or addition to the Budgets or any change in any term or condition of the Budgets approved by the City Council, which veto is subject to an override by a two-thirds vote of the City Council, and the Mayor has the power to implement expenditure reductions subsequent to adoption of the Expense Budget in order to maintain a balanced budget. In addition, the Mayor has the power to determine the non-property tax revenue forecast on which the City Council must rely in setting the property tax rates for adopting a balanced City Expense Budget.

Following adoption of the Budgets, the Mayor typically proposes modifications to the Expense Budget on a quarterly basis and may also propose modifications to the Capital Budget. The City Council is responsible, pursuant to the City Charter, for approving such modifications beyond certain latitudes allowed to the Mayor under the City Charter.

State law and the City Charter require that the City's Expense Budget, as proposed in the Preliminary Budget and Executive Budget submitted by the Mayor and as adopted by the City Council, be in balance when reported in accordance with GAAP with the exception of GASB 49 and without regard to certain fund balances, which may be carried forward as described in "SECTION I: INTRODUCTORY STATEMENT." In addition, the Expense Budget must remain in balance (as described above) with each modification. The City is required to be in balance (as described above) at the end of each fiscal year. All Covered Organizations (as defined below) are also required to maintain budgets that are balanced when reported in accordance with GAAP. From time to time certain Covered Organizations have had budgets providing for operations on a cash basis but not balanced under GAAP.

The Mayor also prepares the City's four-year financial plan, as further described below. The Budgets and operations of the City and the Covered Organizations must be in conformance with the financial plan then in effect.

Office of Management and Budget

The City's Office of Management and Budget ("OMB"), with a staff of approximately 400, is the Mayor's primary advisory group on fiscal issues and is also responsible for the preparation, monitoring and control of the City's

Budgets and four-year financial plans which encompass the City's revenue, expenditure, cash flow and capital projections. In addition, OMB is responsible for the preparation of a Ten-Year Capital Strategy.

To assist in achieving the goals of the financial plan and budget, the City reviews its financial plan periodically and, if necessary, prepares modifications to incorporate actual results and revisions to projections and assumptions to reflect current information. The City's revenue projections are continually reviewed and periodically updated with the benefit of discussions with a panel of private economists analyzing the effects of changes in economic indicators on City revenues and information from various economic forecasting services.

Office of the Comptroller

The City Comptroller is the City's chief fiscal officer and is responsible under the City Charter for reviewing and commenting on the City's Budgets and financial plans, including the assumptions and methodologies used in their preparation. The City Comptroller, as an independently elected public official, is required to report annually to the City Council on the state of the City's economy and finances and periodically to the Mayor and the City Council on the financial condition of the City and to make recommendations, comments and criticisms on the operations, fiscal policies and financial transactions of the City. Such reports, among other things, have differed with certain of the economic, revenue and expenditure assumptions and projections in the City's financial plans and Budgets. See "SECTION VII: FINANCIAL PLAN—Certain Reports."

The Office of the City Comptroller establishes the City's accounting and financial reporting practices and internal control procedures. The City Comptroller is also responsible for the preparation of the City's annual financial statements, which, since 1978, have been required to be reported in accordance with GAAP.

The Annual Comprehensive Financial Report of the Comptroller (the "Annual Report") for the 2024 fiscal year, which includes, among other things, the City's financial statements for the 2024 and 2023 fiscal years, was issued on October 31, 2024. The Annual Report for the 2023 fiscal year received the Government Finance Officers Association award of the Certificate of Achievement for Excellence in Financial Reporting, the forty-fourth consecutive year the Annual Report has won such award.

All contracts for goods and services requiring the expenditure of City monies must be registered with the City Comptroller. No contract can be registered unless funds for its payment have been appropriated by the City Council or otherwise authorized. The City Comptroller also prepares vouchers for payments for such goods and services and cannot prepare a voucher unless funds are available in the Budgets for its payment.

The City Comptroller is also required by the City Charter to audit all City agencies and has the power to audit all City contracts. The Office of the Comptroller conducts both financial and management audits and has the power to investigate corruption in connection with City contracts or contractors.

The Mayor and City Comptroller are responsible for the issuance of City indebtedness. The City Comptroller oversees the payment of such indebtedness and is responsible for the custody of certain currently inactive sinking funds.

Financial Reporting and Control Systems

Since 1978, the City's financial statements have been required to be audited by independent certified public accountants and to be presented in accordance with GAAP. The City has completed forty-four consecutive fiscal years with a General Fund surplus when reported in accordance with then applicable GAAP, except with regard to the application of GASB 49 and without regard to certain fund balances permitted to be carried forward as described in "SECTION I: INTRODUCTORY STATEMENT."

Both OMB and the Office of the City Comptroller utilize a financial management system which provides comprehensive current and historical information regarding the City's financial condition. This information, which is independently evaluated by each office, provides a basis for City action required to maintain a balanced budget and continued financial stability.

The City's operating results and forecasts are analyzed, reviewed and reported on by each of OMB and the Office of the Comptroller as part of the City's overall system of internal control. Internal control systems are reviewed regularly, and the City Comptroller requires an annual report on internal control and accountability from each agency. Comprehensive service level and productivity targets are formulated and monitored for each agency by the Mayor's Office of Operations and reported publicly in a semiannual management report.

The City has developed and utilizes a cash forecasting system which forecasts its daily cash balances. This enables the City to predict its short-term borrowing needs and maximize its return on the investment of available cash balances. Monthly statements of operating revenues and expenditures, capital revenues and expenditures and cash flow are reported after each month's end, and major variances from the financial plan are identified and explained.

City funds held for operating and capital purposes are managed by the Office of the City Comptroller, with specific guidelines as to investment vehicles. The City invests primarily in obligations of the United States Government, its agencies and instrumentalities, high grade commercial paper and repurchase agreements with primary dealers. The repurchase agreements are collateralized by United States Government treasuries, agencies and instrumentalities, held by the City's custodian bank and marked to market daily.

More than 97% of the aggregate assets of the City's five defined benefit pension systems are managed by outside managers, supervised by the Office of the City Comptroller, and the remainder is held in cash or managed by the City Comptroller. Allocations of investment assets are determined by each fund's board of trustees. As of January 31, 2025, aggregate pension assets were allocated approximately as follows: 33% fixed income; 25% U.S. equity; 16% international equity; 10% private equity; 6% private real estate; 5% opportunistic fixed income; 3% infrastructure investments; 1% hedge funds and less than 1% cash (percentages may not add to 100% due to rounding).

The Financial Plan, the Financial Emergency Act and the City Charter

The Financial Emergency Act requires that the City submit to the Control Board, at least 50 days prior to the beginning of each fiscal year (or on such other date as the Control Board may approve), a financial plan for the City and certain State governmental agencies, public authorities or public benefit corporations which receive or may receive monies from the City directly, indirectly or contingently (the "Covered Organizations") covering the four-year period beginning with such fiscal year. The New York City Transit Authority and the Manhattan and Bronx Surface Transit Operating Authority (collectively, "New York City Transit" or "NYCT" or "Transit Authority"), NYCHH and NYCHA are examples of Covered Organizations. The Act requires that the City's four-year financial plans conform to a number of standards. Subject to certain conditions, the Financial Emergency Act and the City Charter require the City to prepare and balance its Expense Budget covering all expenditures other than capital items so that the results of such budget will not show a deficit when reported in accordance with GAAP, with the exception of GASB 49 and without regard to certain fund balances, which may be carried forward as described in "SECTION I: INTRODUCTORY STATEMENT." Provision must be made, among other things, for the payment in full of the debt service on all City securities. The Budgets and operations of the City and the Covered Organizations must be in conformance with the financial plan then in effect.

From 1975 to June 30, 1986, the City was subject to a Control Period, as defined in the Act, which was terminated upon the satisfaction of the statutory conditions for termination, including the termination of all federal guarantees of obligations of the City, a determination by the Control Board that the City had maintained a balanced budget in accordance with GAAP for each of the three immediately preceding fiscal years and a certification by the State and City Comptrollers that sales of securities by or for the benefit of the City satisfied its capital and seasonal financing requirements in the public credit markets and were expected to satisfy such requirements in the 1987 fiscal year. With the termination of the Control Period, certain Control Board powers were suspended including, among others, its power to approve or disapprove certain contracts (including collective bargaining agreements), long-term and short-term borrowings, and the four-year financial plan and modifications thereto of the City and the Covered Organizations. Pursuant to the Act and the City Charter, the City is required to develop a four-year financial plan each year and to modify the plan as changing circumstances require. Under current law, prior to July 1, 2008, the Control Board was required to reimpose a Control Period upon the occurrence or substantial likelihood and imminence of the occurrence of any one of certain events specified in the Act. These events were (i) failure by the City to pay principal of or interest on any of its notes or bonds when due or payable, (ii) the existence of a City operating deficit of more than \$100 million, (iii) issuance by the City of notes in violation of certain restrictions on short-term borrowing imposed

by the Act, (iv) any violation by the City of any provision of the Act which substantially impaired the ability of the City to pay principal of or interest on its bonds or notes when due and payable or its ability to adopt or adhere to an operating budget balanced in accordance with the Act, or (v) joint certification by the State and City Comptrollers that they could not at that time make a joint certification that sales of securities in the public credit market by or for the benefit of the City during the immediately preceding fiscal year and the current fiscal year satisfied its capital and seasonal financing requirements during such period and that there was a substantial likelihood that such securities could be sold in the general public market from the date of the joint certification through the end of the next succeeding fiscal year in amounts that would satisfy substantially all of the capital and seasonal financing requirements of the City during such period in accordance with the financial plan then in effect.

In 2003, the State Legislature amended the Act to change its termination date from the earlier of July 1, 2008 or the date on which certain bonds are discharged to the later of July 1, 2008 or the date on which such bonds are discharged. The bonds referred to in the amended section of the Act are all bonds containing the State pledge and agreement authorized under section 5415 of the Act (the "State Covenant").

The State Covenant is authorized to be included in bonds of the City. Since the 2003 enactment of this amendment to the Act, the City has not issued bonds containing the State Covenant. However, many City bonds issued prior to the amendment do contain the State Covenant. Because the City has issued such bonds with maturities as long as 40 years, the effect of the amendment was to postpone termination of the Act from July 1, 2008 to 2037 (or earlier if all City bonds containing the State Covenant are discharged). In the City's view, the State Legislature could, without violation of the State Covenant contained in the City's outstanding bonds, enact legislation that would terminate the Control Board and the Act because, at the time of issuance of those bonds, the latest termination date of the Act was July 1, 2008.

While the State Legislature amended the Act to extend the termination date of the Control Board, the power to impose or continue a Control Period terminated July 1, 2008. The power to impose or continue a Control Period is covered by a section of the Act that provides that no Control Period shall continue beyond July 1, 2008. The State Legislature did not amend this provision. Therefore, under current law, although the Act continues in effect, no Control Period may be imposed.

In 2005, the City Charter was amended to incorporate many of the provisions of the Act.

Financial Review and Oversight

The Control Board, with the OSDC, reviews and monitors revenues and expenditures of the City and the Covered Organizations. In addition, the IBO has been established pursuant to the City Charter to provide analysis to elected officials and the public on relevant fiscal and budgetary issues affecting the City.

The Control Board is required to: (i) review the four-year financial plan of the City and of the Covered Organizations and modifications thereto; (ii) review the operations of the City and the Covered Organizations, including their compliance with the financial plan; and (iii) review certain contracts, including collective bargaining agreements, of the City and the Covered Organizations. The requirement to submit four-year financial plans and budgets for review was in response to the severe financial difficulties and loss of access to the credit markets encountered by the City in 1975. The Control Board must reexamine the financial plan on at least a quarterly basis to determine its conformance to statutory standards.

The *ex officio* members of the Control Board are the Governor of the State of New York (Chairperson); the Comptroller of the State of New York; the Mayor of The City of New York; and the Comptroller of The City of New York. In addition, there are three private members appointed by the Governor. The Executive Director of the Control Board is appointed jointly by the Governor and the Mayor. The Control Board is assisted in the exercise of its responsibilities and powers under the Financial Emergency Act by the State Deputy Comptroller for The City of New York.

SECTION IV: SOURCES OF CITY REVENUES

The City derives its revenues from a variety of local taxes, user charges and miscellaneous revenues, as well as from federal and State unrestricted and categorical grants. State aid as a percentage of the City's revenues has remained relatively constant over the period from 1980 to 2024, while federal aid has been sharply reduced. The City projects that local revenues will provide approximately 74.3% of total revenues in the 2025 fiscal year, while federal aid, including categorical grants, will provide 8.3%, and State aid, including unrestricted aid and categorical grants, will provide 17.4%. Adjusting the data for comparability, local revenues provided approximately 60% of total revenues in 1980, while federal and State aid each provided approximately 20%. A discussion of the City's principal revenue sources follows. For additional information regarding assumptions on which the City's revenue projections are based, see "SECTION VII: FINANCIAL PLAN—Assumptions." For information regarding the City's tax base, see "EXHIBIT A—ECONOMIC AND DEMOGRAPHIC INFORMATION."

Real Estate Tax

The real estate tax, the single largest source of the City's revenues, is the primary source of funds for the City's General Debt Service Fund. The City expects to derive approximately 43.7% of its total tax revenues and 29.4% of its total revenues for the 2025 fiscal year from the real estate tax. For information concerning tax revenues and total revenues of the City for prior fiscal years, see "SECTION VI: FINANCIAL OPERATIONS—2020-2024 Summary of Operations."

The State Constitution authorizes the City to levy a real estate tax without limit as to rate or amount (the "debt service levy") to cover scheduled payments of the principal of and interest on indebtedness of the City. However, the State Constitution limits the amount of revenue which the City can raise from the real estate tax for operating purposes (the "operating limit") to 2.5% of the average full value of taxable real estate in the City for the current and the last four fiscal years, which amount may be further limited by the State Constitution or laws. On June 24, 2011, the Governor signed into law the State's tax levy limitation law which restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a municipality in a particular year. Such law does not apply to the City. Since the enactment of the tax levy limitation law, legislation applying such law to the City has been proposed from time to time but has never passed. Were it to be enacted into law, it would have a material adverse impact on projected City revenues. The table below sets forth the percentage the debt service levy represents of the total levy. The City Council has adopted a distinct tax rate for each of the four categories of real property established by State legislation.

On April 24, 2017, a lawsuit was filed challenging the City's real property tax system and valuation methodology. See "SECTION X: OTHER INFORMATION—Litigation—*Taxes*."

On May 31, 2018, former Mayor de Blasio and former Speaker of the City Council Johnson established the New York City Advisory Commission on Property Tax Reform to consider changes to the City's property taxation system, without reducing property tax revenues to the City. The commission released its report in December 2021 with recommendations which, among other things, would align the taxable value of certain properties more closely with market value. The commission's recommendations, which have not yet been acted upon, would require State legislation if they were to be implemented.

COMPARISON OF REAL ESTATE TAX LEVIES, TAX LIMITS AND TAX RATES

Fiscal Year	Total Levy⁽¹⁾	Levy Within Operating Limit	Debt Service Levy⁽²⁾	Debt Service Levy as a Percentage of Total Levy	Operating Limit	Levy Within Operating Limit as a Percentage of Operating Limit	Rate Per \$100 of Full Valuation⁽³⁾	Average Tax Rate Per \$100 of Assessed Valuation
(Dollars in Millions, except for Tax Rates)								
2020	\$ 31,629.8	\$ 27,803.8	\$ 2,448.5	7.7%	\$ 28,936.2	96.1%	\$ 2.30	\$ 12.28
2021	33,371.4	28,960.9	2,872.0	8.6	30,614.3	94.6	2.34	12.28
2022	31,636.0	29,341.6	852.1	2.7	31,695.2	92.6	2.36	12.28
2023	33,853.7	31,383.4	905.4	2.7	31,714.4	99.0	2.39	12.28
2024	35,340.5	32,066.3	1,584.4	4.5	32,757.9	97.9	2.38	12.28
2025	36,862.3	32,524.1	2,632.2	7.1	34,033.5	95.6	2.32	12.28

⁽¹⁾ Based on tax rates approved by the City Council.

⁽²⁾ The debt service levy includes a portion of the total reserve for uncollected real estate taxes.

⁽³⁾ Full valuation is based on the special equalization ratios (discussed below) and the billable assessed valuation. Special equalization ratios and full valuations are revised periodically as a result of surveys by the State Office of Real Property Tax Services.

Assessment

The City has traditionally assessed real property at less than market value. The State Office of Real Property Tax Services (the “State Office”) is required by law to determine annually the relationship between taxable assessed value and market value which is expressed as the “special equalization ratio.” The special equalization ratio is used to compute full value for the purpose of measuring the City’s compliance with the operating limit and general debt limit. For a discussion of the City’s debt limit, see “SECTION VIII: INDEBTEDNESS—Indebtedness of the City and Certain Other Entities—*Limitations on the City’s Authority to Contract Indebtedness.*” The ratios are calculated by using the most recent market value surveys available and a projection of market value based on recent survey trends, in accordance with methodologies established by the State Office from time to time. Ratios, and therefore full values, may be revised when new surveys are completed. The ratios and full values shown in the table below, which were used to compute the 2024 fiscal year operating limit and general debt limit, have been established by the State Office and include the results of the fiscal year 2022 market value survey.

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BILLABLE ASSESSED AND FULL VALUE OF TAXABLE REAL ESTATE⁽¹⁾

Fiscal Year	Billable Assessed Valuation of Taxable Real Estate⁽²⁾	÷	Special Equalization Ratio	=	Full Valuation⁽³⁾
2021.....	\$ 271,688,749,747		0.2308		\$ 1,177,160,960,776
2022.....	257,560,316,555		0.2026		1,271,275,007,675
2023.....	275,614,595,502		0.2044		1,348,408,001,478
2024.....	287,719,502,079		0.1979		1,453,863,072,658
2025.....	300,109,002,061		0.1891		1,587,038,614,812
Average:					\$ 1,367,549,131,480

⁽¹⁾ Also assessed by the City, but excluded from the computation of taxable real estate, are various categories of property exempt from taxation under State law.

⁽²⁾ Billable assessed valuation represents valuation before reflecting the reduced property tax revenues resulting from the State's School Tax Relief Program (the "STAR Program").

⁽³⁾ Figures are based on estimates of the special equalization ratio which are revised annually. These figures are derived from official City Council Tax Resolutions adopted with respect to the 2025 fiscal year. These figures differ from the assessed and full valuation of taxable real estate reported in the Annual Report, which excludes veterans' property subject to tax for school purposes and is based on estimates of the special equalization ratio which are not revised annually.

State law provides for the classification of all real property in the City into one of four statutory classes. Class one primarily includes one-, two- and three-family homes; class two includes certain other residential property not included in class one; class three includes most utility real property; and class four includes all other real property. The total tax levy consists of four tax levies, one for each class. Once the tax levy is set for each class, the tax rate for each class is then fixed annually by the City Council by dividing the levy for such class by the billable assessed value for such class.

Assessment procedures differ for each class of property. For fiscal year 2025, class one was assessed at approximately 6% of market value and classes two, three and four were each assessed at 45% of market value. In addition, individual assessments on class one parcels cannot increase by more than 6% per year or 20% over a five-year period. Market value increases and decreases for most of class two and all of class four are phased in over a period of five years. Increases in class one market value in excess of applicable limitations are not phased in over subsequent years. There is also no phase-in for class three property.

Class two and class four real property have three assessed values: actual, transitional and billable. Actual assessed value is established for all tax classes without regard to the five-year phase-in requirement applicable to most class two and all class four properties. The transitional assessed value reflects this phase-in. Billable assessed value is the basis for tax liability and is the lower of the actual or transitional assessment.

The share of the total levy that can be borne by each class is regulated by the provisions of the State Real Property Tax Law. Each class share of the total tax levy is updated annually to reflect new construction, demolition, alterations or changes in taxable status and is subject to limited adjustment to reflect market value changes among the four classes. Class share adjustments are limited to a 5% maximum increase per year. Maximum class increases below 5% must be, and typically are, approved by the State Legislature. For fiscal year 2025, tax rates were set on June 30, 2024 and reflect a 5% limitation on class share adjustment. The average tax rate for fiscal year 2024 was maintained at \$12.28 per \$100 of assessed value. Property tax bills were sent out during the second week of June 2024 with fiscal year 2024 tax rates, which will be revised with new tax rates for fiscal year 2025 and sent out to taxpayers later in 2024.

City real estate tax revenues may be reduced in future fiscal years as a result of tax refund claims asserting overvaluation, inequality of assessment and illegality. The State Office annually certifies various class ratios and class equalization rates relating to the four classes of real property in the City. "Class ratios" are determined for each class by the State Office by calculating the ratio of assessed value to market value. Various proceedings challenging assessments of real property for real estate tax purposes, and one action challenging the constitutionality of the real property tax system, are pending. For further information regarding the City's potential exposure in certain of these

proceedings, see “SECTION X: OTHER INFORMATION—Litigation—Taxes” and “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note D.5.”

Trend in Taxable Assessed Value

State law provides for increases in assessed values of most properties to be phased into property tax bills over five-year periods. The billable assessed valuation, as determined by the City Department of Finance, and after reflecting the reduction of billable assessed value resulting from the State’s STAR Program, rose to \$239.7 billion, \$256.6 billion and \$270.8 billion for fiscal years 2019 through 2021, respectively, and declined to \$256.7 billion for fiscal year 2022. The billable assessed value rebounded in fiscal year 2023 to \$274.8 billion and grew to \$287.0 billion in fiscal year 2024. The 2025 final assessment roll of \$299.4 billion, reflects an increase of \$12 billion over fiscal year 2024, a growth of 4.3%. The billable assessed valuations are forecast in the Financial Plan to grow by 2.4%, 3.1%, 2.2% and 2.2% in fiscal years 2026, 2027, 2028 and 2029, respectively.

On January 15, 2025, the Department of Finance released the tentative assessment roll for fiscal year 2026, reflecting a taxable billable assessed value of \$311.2 billion. The fiscal year 2026 tentative billable assessed value reflects an increase of \$11.8 billion over the fiscal year 2025 final assessment roll of \$299.4 billion, reflecting growth of 3.9%.

Taxable billable assessed value is the basis for determining the tax levy. It is based on the lower of the actual (45% of the current year market value) or transitional assessed value (which is the cumulative value of the phase-ins from the 5-year market value changes). In fiscal year 2022, the significant decline in market values caused an increased number of properties to be assessed at their actual assessed value (instead of transitional assessed value). The declines for such properties were recognized in one year, which resulted in a steeper decline in billable assessed value in fiscal year 2022 than would have happened if such properties were valued at their transitional assessed values, whereby the declines would have been phased in over five years. In fiscal years 2023, 2024, and 2025, with the increase in market value, many properties went back to the transitional assessed value. If the market values were to decline in the upcoming years for those properties, they could revert to being assessed at their actual assessed value.

Collection of the Real Estate Tax

Real estate tax payments are due each July 1 and January 1. Owners of all properties assessed at \$250,000 or less are eligible to make tax payments in quarterly installments on July 1, October 1, January 1 and April 1. An annual interest rate as approved by the City Council is imposed upon late payments on properties with an assessed value of \$250,000 or less and between \$250,000 to \$450,000 except in the case of (i) any parcel with respect to which the real estate taxes are held in escrow and paid by a mortgage escrow agent and (ii) parcels consisting of vacant or unimproved land. In addition, a separate annual interest rate as approved by the City Council is imposed upon late payments on all other properties.

In June 2024, the City Council adopted the following rates for fiscal year 2025: (i) for owners of property with an assessed value of less than \$250,000, the late payment interest rate has been increased from 5% to 6%; (ii) for owners of property with an assessed value between \$250,000 to \$450,000, the late payment interest rate has been increased from 8% to 9%; and (iii) for all other owners, the late payment interest rate has been increased from 15% to 16%.

Historically, the City has primarily used two methods to enforce the collection of real property taxes, foreclosure by in rem proceedings and the sale of real property tax liens. The City is entitled to foreclose delinquent tax liens by in rem proceedings after one year of delinquency with respect to properties other than one- and two-family dwellings and condominium apartments, as to which a three-year delinquency rule is in effect. The City’s authority, pursuant to local law, to sell real property tax liens expired on March 1, 2022. The most recent tax lien sale occurred in December 2021. On June 30, 2024, the City Council approved a modified lien sale program to be effective from July 1, 2024 to December 31, 2028. Such modifications do not materially change the underlying structure of the prior lien sale authorization. The reauthorization includes additional protections for certain eligible property owners. The Financial Plan reflects this reauthorization.

The real estate tax is accounted for on a modified accrual basis in the General Fund. Revenue accrued is limited to prior year payments received, offset by refunds made, within the first two months of the following fiscal year. In

deriving the real estate tax revenue forecast, a reserve is provided for cancellations or abatements of taxes and for nonpayment of current year taxes owed and outstanding as of the end of the fiscal year.

The following table sets forth the amount of delinquent real estate taxes (owed and outstanding as of the end of the fiscal year of levy) for each of the fiscal years indicated. Delinquent real estate taxes do not include real estate taxes subject to cancellation or abatement under various exemption or abatement programs. Delinquent real estate taxes generally increase during a recession and when the real estate market deteriorates. Delinquent real estate taxes generally decrease as the City's economy and real estate market recover.

From time to time, the City has sold real property tax liens to separate statutory trusts. In fiscal years 2020 through 2023, the City's real property tax lien program resulted in net proceeds of approximately \$96.7 million, \$11.7 million, \$86.6 million and \$3.7 million, respectively. Fiscal year 2020 includes the sale proceeds of the fiscal year 2019 tax lien sale, which closed in fiscal year 2020, and the receipt of approximately \$50 million from trusts established in connection with prior lien sales. Due to the outbreak of COVID-19, the real property tax lien sale for fiscal years 2020 and 2021 did not occur. However, a real property tax lien sale occurred in fiscal year 2022. Authorization to sell real property tax liens expired on March 1, 2022. On June 30, 2024, City Council approved a modified lien sale program.

REAL ESTATE TAX COLLECTIONS AND DELINQUENCIES

Fiscal Year	Tax Levy ⁽¹⁾	Tax Collections on Current Year Levy	Tax Collections as Percentage of Tax Levy	Prior Year (Delinquent Tax) Collections	Refunds	Cancellations, Net Credits, Abatements, Exempt Property Restored and Shelter Rent	Delinquent as of End of Fiscal Year	Delinquency as a Percentage of Tax Levy	Lien Sale Program
(Dollars In Millions)									
2020	\$31,629.8	\$29,532.2	93.4%	\$370.6	\$(349.1)	\$(1,513.6)	\$(584.0)	1.9%	\$96.7
2021	33,371.4	31,239.8	93.6	470.7	(411.3)	(1,459.0)	(672.6)	2.0	11.7
2022	31,636.0	29,336.1	92.7	522.8	(509.6)	(1,739.8)	(560.1)	1.8	86.6
2023	33,853.7	31,572.7	93.3	449.1	(518.7)	(1,575.2)	(705.9)	2.1	3.7 ⁽²⁾
2024	35,340.5	32,898.6	93.1	494.7	(554.8)	(1,675.8)	(766.2)	2.2	29.8
2025 ⁽³⁾	36,862.3	34,171.3	92.7	472.0	(500.0)	(1,954.0)	(737.0)	2.0	80.0

(1) As approved by the City Council.

(2) Reflects unused reserves related to previous lien sales.

(3) Forecast.

Other Taxes

The City expects to derive 56.3% of its total tax revenues for the 2025 fiscal year from a variety of taxes other than the real estate tax, such as: (i) the 4.5% sales and compensating use tax, in addition to the 4% sales and use tax imposed by the State upon receipts from retail sales of tangible personal property and certain services in the City; (ii) the personal income tax on City residents; (iii) a general corporation tax levied on the income of corporations doing business in the City; and (iv) a banking corporation tax imposed on the income of banking corporations doing business in the City.

State legislation was enacted in 2022 creating a pass-through entity tax on certain partnerships and S-corporations that elect to pay such tax. Starting with fiscal year 2023, all references to personal income taxes also include such pass-through entity tax. Partners or shareholders of such partnerships or S corporations that elect to pay the new tax will receive an equivalent credit against their personal income tax. The pass-through entity tax will be collected and paid first to the TFA in the same manner as the personal income tax. The aggregate personal income tax credits will be equivalent to the pass-through entity tax liability of the entities that elect to pay the pass-through entity tax. Therefore, the change is expected to be revenue neutral to the City on a multi-year basis.

For local taxes other than the real estate tax, the City may adopt and amend local laws for the levy of local taxes to the extent authorized by the State. This authority can be withdrawn, amended or expanded by State legislation.

Revenues from taxes other than the real estate tax in the 2024 fiscal year decreased by \$600 million from the 2023 fiscal year. The following table sets forth, by category, revenues from taxes, other than the real estate tax, for each of the City's 2020 through 2024 fiscal years. References to Personal Income herein include both personal income tax and the pass through entity tax.

	2020	2021	2022	2023	2024
			(In Millions)		
Personal Income ⁽¹⁾	\$ 13,551	\$ 15,101	\$ 16,698	\$ 17,183	\$ 15,671
General Corporation	4,547	5,129	5,681	6,010	6,890
Banking Corporation ⁽²⁾	(38)	(110)	1	(36)	(4)
Unincorporated Business Income	1,939	2,077	2,547	2,545	2,789
Sales ⁽³⁾	7,372	6,553	8,544	9,540	9,914
Commercial Rent	864	869	876	910	918
Real Property Transfer	1,135	1,045	1,903	1,277	1,130
Mortgage Recording	975	897	1,336	898	597
Utility	356	356	396	420	409
Cigarette	25	22	20	16	13
Hotel	468	85	345	645	706
Cannabis	-	-	-	-	4
All Other ⁽⁴⁾	1,054	907	820	1,047	1,184
Audits	1,026	1,139	849	1,337	968
Total	<u>\$ 33,274</u>	<u>\$ 34,070</u>	<u>\$ 40,015</u>	<u>\$ 41,792</u>	<u>\$ 41,190</u>

Note: Totals may not add due to rounding.

- (1) Personal Income includes the pass through entity tax and personal income tax revenues of \$512 million, \$276 million, \$175 million, \$1.282 billion and \$845 million in fiscal years 2020 through 2024, respectively, retained by the TFA for funding requirements associated with TFA Future Tax Secured Bonds. Personal income taxes flow directly from the State to the TFA, and from the TFA to the City only to the extent not required by the TFA for debt service, operating expenses and contractual and other obligations incurred pursuant to the TFA indenture.
- (2) With the enactment of corporate tax reform that merged the general corporation tax with the banking corporation tax in 2015, most banking corporation tax payments are now being reported as business corporation taxes. However, refunds arising from prior year returns filed as banking corporation taxes are still paid out as refunds under the banking corporation tax. In each of fiscal years 2020 through 2024, the amount refunded exceeded the gross receipts resulting in net negative revenues for such fiscal years.
- (3) A portion of sales tax revenues payable to the City would be paid to the TFA if personal income tax revenues did not satisfy specified debt service ratios.
- (4) All Other includes, among others, beer and liquor taxes and the automobile use tax, but excludes the STAR Program aid of \$165 million, \$154 million, \$146 million, \$138 million and \$128 million in fiscal years 2020 through 2024, respectively.

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Miscellaneous Revenues

Miscellaneous revenues include revenue sources such as charges collected by the City for the issuance of licenses, permits and franchises, interest earned by the City on the investment of City cash balances, tuition and fees at the Community Colleges, reimbursement to the City from the proceeds of water and sewer rates charged by the New York City Water Board (the “Water Board”) for costs of delivery of water and sewer services and paid to the City by the Water Board for its lease interest in the water and sewer system, rents collected from tenants in City-owned property and from The Port Authority of New York and New Jersey (the “Port Authority”) with respect to airports and the collection of fines. The following table sets forth amounts of miscellaneous revenues for each of the City’s 2020 through 2024 fiscal years.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
	(In Millions)				
Licenses, Permits and Franchises ..	\$ 699	\$ 625	\$ 651	\$ 763	\$ 716
Interest	137	15	16	508	696
Charges for Services.....	951	863	850	848	899
Water and Sewer.....	1,615	1,687	1,575	1,710	1,953
Rental.....	258	233	249	266	283
Fines and Forfeitures	1,079	1,036	1,231	1,455	1,367
Other.....	530	709	441	433	489
Total.....	<u>\$ 5,269</u>	<u>\$ 5,168</u>	<u>\$ 5,013</u>	<u>\$ 5,983</u>	<u>\$ 6,404</u>

Note: Totals may not add due to rounding.

Rental income in fiscal years 2020 through 2024 includes approximately, \$153.6 million, \$163.6 million, \$160.5 million \$165.8 million and \$183.7 million, respectively, in Port Authority lease payments for the City airports.

Fees and charges collected from the users of the water and sewer system of the City are revenues of the Water Board, a body corporate and politic, constituting a public benefit corporation, all of the members of which are appointed by the Mayor. The Water Board currently holds a long-term leasehold interest in the water and sewer system pursuant to a lease between the Water Board and the City.

Other miscellaneous revenues for fiscal years 2020 through 2024 include \$118.0 million, \$127.6 million, \$130.9 million, \$123.9 million and \$107 million, respectively, of tobacco settlement revenues (“TSRs”) from the settlement of litigation with certain cigarette manufacturers that were not retained by TSASC. Other miscellaneous revenues for fiscal years 2020 through 2024 do not include TSRs retained by TSASC for debt service and operating expenses totaling \$70 million, \$76 million, \$78 million \$74 million and \$64 million, respectively. Pursuant to the TSASC indenture, less than 40% of the TSRs are pledged to the TSASC bondholders and the remainder flow to the City. On December 9, 2024, TSASC entered into a Security Agreement pursuant to which TSASC agreed to make unpledged TSRs available to pay TSASC debt service and other expenses to the extent that pledged TSRs are not sufficient, beginning with the June 1, 2025 payment through, at the latest, the June 1, 2028 payment. For further information see “SECTION VII: FINANCIAL PLAN—Assumptions—*Revenue Assumptions*—4. MISCELLANEOUS REVENUES” and “SECTION VIII: INDEBTEDNESS—Indebtedness of the City and Certain Other Entities.”

Other miscellaneous revenues for fiscal year 2020 include \$45 million from the refund from a collateral reserve relating to an insurance policy issued by Chubb Insurance and \$10.8 million from a rental payment from the United Nations Development Corporation.

Other miscellaneous revenues for fiscal year 2021 include \$212.4 million in debt service reimbursements from NYCHH, a \$40 million payment from the New York City Housing Development Corporation to purchase the residual interest in certain loans owned by the City, and \$40.2 million from a settlement of litigation with the United States Postal Service relating to the delivery of untaxed cigarettes.

Other miscellaneous revenues for fiscal year 2022 include \$21 million from the sale of property in Greenpoint, Brooklyn by the City’s Department of Housing Preservation and Development and an \$8.7 million payment relating to a master service contract with a telecommunications company.

Other miscellaneous revenues for fiscal year 2023 include \$3.2 million from the sale of two properties in East Harlem by the City’s Department of Housing Preservation and Development to the MTA to facilitate the expansion of the Second Avenue Subway line, \$3 million for the return of insurance premiums to the City from the Central Insurance Program, and \$8.7 million from Comptroller’s Office reconciliation of workers’ compensation accounts.

Other miscellaneous revenue for fiscal year 2024 include \$9.5 million from the transfer of unclaimed funds from prior years and \$39.8 million from the Law Department for several one-time settlement and class action lawsuit payments.

Unrestricted Intergovernmental Aid

Unrestricted federal and State aid are not subject to any substantial restriction as to their use and are used by the City as general support for its Expense Budget. For a further discussion of federal and State aid, see “SECTION VII: FINANCIAL PLAN—Assumptions—*Revenue Assumptions*—5. FEDERAL AND STATE CATEGORICAL GRANTS.”

The following table sets forth amounts of unrestricted federal and State aid received by the City in each of its 2020 through 2024 fiscal years.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
			(In Millions)		
Unrestricted Intergovernmental Aid	\$11	\$1	\$498	\$186	\$41

Federal and State Categorical Grants

The City makes certain expenditures for services required by federal and State mandates which are then wholly or partially reimbursed through federal and State categorical grants. State categorical grants are received by the City primarily in connection with City welfare, education, higher education, health and mental health expenditures. The City also receives substantial federal categorical grants in connection with the federal Community Development Block Grant Program (“Community Development”). The federal government also provides the City with substantial public assistance, social service and education grants as well as reimbursement for all or a portion of certain costs incurred by the City in maintaining programs in a number of areas, including housing, criminal justice and health. All City claims for federal and State grants are subject to subsequent audit by federal and State authorities. Certain claims submitted to the State Medicaid program by the City are the subject of investigation by the Office of the Inspector General of the United States Department of Health and Human Services. The City provides a reserve for disallowances resulting from these audits which could be asserted in subsequent years. Federal grants are also subject to audit under the Single Audit Act Amendments of 1996. For a further discussion of federal and State categorical grants, see “SECTION VII: FINANCIAL PLAN—Assumptions—*Revenue Assumptions*—5. FEDERAL AND STATE CATEGORICAL GRANTS.” For information regarding certain recent developments relating to federal aid, see “SECTION II: RECENT FINANCIAL DEVELOPMENTS.”

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The following table sets forth amounts of federal and State categorical grants received by the City for each of the City's 2020 through 2024 fiscal years.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
	(In Millions)				
Federal ⁽¹⁾					
Community Development ⁽²⁾	\$ 558	\$ 693	\$ 281	\$ 349	\$ 299
Social Services.....	2,918	3,232	2,426	3,080	3,529
Education.....	1,672	2,498	4,899	3,970	4,357
Other ⁽³⁾	4,433	6,197	7,595	2,740	3,212
Total.....	<u>\$ 9,581</u>	<u>\$ 12,620</u>	<u>\$ 15,201</u>	<u>\$ 10,139</u>	<u>\$ 11,397</u>
State					
Social Services.....	\$ 1,750	\$ 1,834	\$ 1,729	\$ 2,218	\$ 3,254
Education.....	11,493	10,633	11,943	12,353	12,930
Higher Education.....	246	231	238	245	259
Health and Mental Health.....	428	423	421	511	557
Other.....	1,417	1,476	1,516	1,743	2,231
Total.....	<u>\$ 15,334</u>	<u>\$ 14,597</u>	<u>\$ 15,847</u>	<u>\$ 17,070</u>	<u>\$ 19,231</u>

⁽¹⁾ Federal funding includes amounts received under the American Recovery and Reinvestment Act of \$186 million, \$181 million, \$155 million \$165 million and \$102 million in fiscal years 2020 through 2024, respectively.

⁽²⁾ Amounts represent actual funds received and may be lower or higher than the appropriation of funds actually provided by the federal government for the particular fiscal year due either to underspending or the spending of funds carried forward from prior fiscal years. Community Development includes \$215.2 million, \$204.1 million, \$21.9 million \$29.0 million and \$6 million in fiscal years 2020 through 2024, respectively, in disaster recovery funding for storm damage remediation as a result of Superstorm Sandy.

⁽³⁾ Other includes \$483 million of Coronavirus State and Local Fiscal Recovery Funds in fiscal year 2023 and \$2.713 billion, \$2.9 billion and \$250 million in fiscal years 2021 through 2023, respectively, of FEMA funding for the City's response to the COVID-19 pandemic.

SECTION V: CITY SERVICES AND EXPENDITURES

Expenditures for City Services

Three types of governmental agencies provide public services within the City's borders and receive financial support from the City. One category is the mayoral agencies established by the City Charter which include, among others, the Police, Fire and Sanitation Departments. Another is the independent agencies which are funded in whole or in part through the City Budget by the City but which have greater independence in the use of appropriated funds than the mayoral agencies. Included in this category are certain Covered Organizations such as NYCHH and the Transit Authority. A third category consists of certain public benefit corporations ("PBCs") which were created to finance the construction of housing, hospitals, dormitories and other facilities and to provide other governmental services in the City. The legislation establishing this type of agency contemplates that annual payments from the City, appropriated through its Expense Budget, may or will constitute a substantial part of the revenues of the agency. Included in this category is, among others, the City University Construction Fund ("CUCF"). For information regarding expenditures for City services, see "SECTION VI: FINANCIAL OPERATIONS—2020-2024 Summary of Operations."

Federal and State laws require the City to provide certain social services for needy individuals and families who qualify for such assistance. The City receives federal Temporary Assistance for Needy Families ("TANF") block grant funds through the State for the Family Assistance Program. The Family Assistance Program provides benefits for households with minor children subject, in most cases, to a five-year time limit. The Safety Net Assistance Program provides benefits for adults without minor children, families who have reached the Family Assistance Program time limit, and others, including certain immigrants, who are ineligible for the Family Assistance Program but are eligible for public assistance. Historically, the cost of the Safety Net Assistance Program was borne equally by the City and the State. In the 2011-2012 State Budget, the State implemented new funding formulas, increasing the City share of the Safety Net Assistance Program to 71% and eliminating the City Share of 25% for the Family Assistance Program by fully funding it with TANF block grant funds. In the 2019-2020 State Budget, the State increased the City share for the Family Assistance Program to 10%. In the 2020-2021 State Budget, the State further increased the City share for the Family Assistance Program to 15%.

The City also provides funding for many other social services, such as day care, foster care, family planning, services for the elderly and special employment services for welfare recipients, some of which are mandated, and may be wholly or partially subsidized, by either the federal or State government. See "SECTION VII: FINANCIAL PLAN—Assumptions—*Revenue Assumptions*—5. FEDERAL AND STATE CATEGORICAL GRANTS."

In July 2002, the Board of Education was replaced by the City's Department of Education ("DOE") which is overseen by a Chancellor, appointed by the Mayor, and the Panel for Educational Policy, which was previously comprised of 23 members, with 13 members appointed by the Mayor, the Borough Presidents having each appointed one member, and five members elected from each borough by community education council presidents (community education councils are comprised mostly of public school parents who are elected to serve). Each elected and appointed member serves a one-year term that can be renewed annually. The Chancellor and Comptroller serve as ex-officio non-voting members. Pursuant to State Law, on July 1, 2024, the Panel for Education Policy was expanded from 23 to 24 members, with the addition of one independent member to serve as the chair. This independent member will be selected by the Mayor from a set of three candidates nominated by the Speaker of the Assembly, the Senate Majority Leader, and the Chancellor of the Board of Regents. The chair will serve a one-year term with the option for the Mayor to reappoint for an additional one-year term, with no individual serving as chair for more than two terms consecutively. The number of pupils in the school system is estimated to be 998,486 in fiscal year 2025 and approximately 1 million in each of the 2026 through 2029 fiscal years. Enrollment began declining before the onset of COVID-19 and this trend accelerated during the pandemic; however, it appears to be leveling out. Actual enrollment in fiscal years 2020 through 2024 has been 1,071,337, 1,033,579, 988,417, 977,796, and 987,044 respectively. See "SECTION VII: FINANCIAL PLAN—Assumptions—*Expenditure Assumptions*—2. OTHER THAN PERSONAL SERVICES COSTS—*Department of Education*." The City's system of higher education, consisting of its Senior Colleges and Community Colleges, is operated under the supervision of the City University of New York ("CUNY"). The City is projected to provide approximately 52.2% of the costs of the Community Colleges in the 2025 fiscal year. Community Colleges are also supported by State, intra-city, and other categorical funding, as well as the tuition they collect. The

State has full responsibility for the costs of operating the Senior Colleges, although the City is required initially to fund these costs which are then reimbursed by the State.

NYCHH maintains and operates the City's 11 municipal acute care hospitals, five long-term care facilities, a certified home health-care program, 30 community health clinics and a health maintenance organization. NYCHH is funded primarily by third party reimbursement collections from Medicare and Medicaid and by payments from bad debt/charity care pools, with significant contributions from the City. See "SECTION VII: FINANCIAL PLAN—Assumptions—*Expenditure Assumptions*—2. OTHER THAN PERSONAL SERVICES COSTS—*New York City Health and Hospitals*."

Medicaid provides basic medical assistance to needy persons. The City is required by State law to furnish medical assistance through Medicaid to all City residents meeting eligibility requirements established by the State. Prior to State legislation in fiscal year 2006 capping City Medicaid payments, the State had assumed 81.2% of the non-federal share of long-term care costs, all of the costs of providing medical assistance to the mentally disabled, and 50% of the non-federal share of Medicaid costs for all other clients. As a result of State legislation in fiscal years 2006 and 2012 capping City Medicaid payments, the State percentage of the non-federal share may vary. The federal government pays 50% of Medicaid costs for federally eligible recipients and a higher share for federally eligible childless adults.

The City's Expense Budget increased during the five-year period ended June 30, 2024, due to, among other factors, the increasing costs of pensions and Medicaid, the costs of labor settlements and the impact of inflation on various other than personal services costs.

Employees and Labor Relations

Employees

The following table presents the number of full-time and full-time equivalent employees of the City, including the mayoral agencies, the DOE and CUNY, at the end of each of the City's 2020 through 2024 fiscal years.

	2020	2021	2022	2023	2024
Education	147,792	144,323	141,748	141,594	143,663
Police	53,416	50,496	49,960	48,914	48,400
Social Services, Homeless and Children's Services	21,698	20,781	19,113	18,860	19,338
City University Community Colleges and Hunter Campus Schools	8,314	7,646	7,472	7,249	7,618
Environmental Protection and Sanitation	16,031	15,162	15,321	15,785	15,781
Fire	17,480	17,140	16,960	17,070	17,189
All Other	59,305	57,313	53,521	53,704	54,259
Total	<u>324,036</u>	<u>312,861</u>	<u>304,095</u>	<u>303,176</u>	<u>306,248</u>

The following table presents the number of full-time employees of certain Covered Organizations, as reported by such Organizations, at the end of each of the City's 2020 through 2024 fiscal years.

	2020	2021	2022	2023	2024
Transit Authority	47,056	45,041	45,851	46,320	47,279
Housing Authority	11,024	11,655	11,670	11,660	11,657
NYCHH	38,918	39,193	37,625	38,837	42,674
Total ⁽¹⁾	<u>96,998</u>	<u>95,889</u>	<u>95,146</u>	<u>96,817</u>	<u>101,610</u>

⁽¹⁾ The definition of "full-time employees" varies among the Covered Organizations and the City.

The foregoing tables include persons whose salaries or wages are paid by certain public employment programs, including programs funded under the Workforce Investment Act, which support employees in non-profit and State agencies as well as in the mayoral agencies and the Covered Organizations.

Labor Relations

Substantially all of the City's employees are members of labor unions. For those employees, wages, hours or working conditions may be changed only as provided for under collective bargaining agreements. Although State law prohibits strikes by municipal employees, strikes and work stoppages by employees of the City and the Covered Organizations have occurred.

The City has reached tentative or ratified contract agreements with 98% of the City's unionized workforce for the 2021-2026 round of collective bargaining. The Financial Plan reflects the costs of labor settlements for the City workforce for such round based on the pattern set by the tentative or ratified agreements the City has reached with the District Council 37 of AFSCME ("DC 37") or the Police Benevolent Association ("PBA") framework. For further information, see "SECTION VII: FINANCIAL PLAN—Assumptions—*Expenditure Assumptions*—1. PERSONAL SERVICES COSTS."

Collective bargaining for City employees is under the jurisdiction of either the New York City Office of Collective Bargaining, which was created under the New York City Collective Bargaining Law, or the New York State Public Employment Relations Board ("PERB"), which was created under the State Employees Fair Employment Act. Collective bargaining matters relating to police, firefighters and pedagogical employees are under the jurisdiction of PERB. Under applicable law, the terms of future wage settlements could be determined through an impasse procedure which, except in the case of pedagogical employees, can result in the imposition of a binding decision. Pedagogical employees do not have access to binding arbitration but are covered by a fact-finding impasse procedure under which a binding decision may not be imposed. Although the impasse procedure may not impose a binding settlement, it may influence ongoing collective bargaining.

In 2021, the City and the Municipal Labor Committee ("MLC") agreed to implement a Medicare Advantage ("MA") plan for City retirees in order to generate an estimated \$600 million in annual savings in retiree health benefit costs. The savings were intended to be earmarked for contribution to the Health Insurance Stabilization Fund ("HISF"), a trust and agency account jointly administered by the City and the MLC since 1986 for the purpose of moderating volatility in the cost to the City of pre-Medicare health coverage expenses, the balance of which has been declining in recent years. An arbitrator mandated with enforcement of City-MLC health savings agreements has since acknowledged that without the savings from the MA plan, the HISF will be fully drawn and savings will need to be obtained through alternative means, likely including the imposition of co-premiums on active City employees and pre-Medicare retirees.

The City's and MLC's plan described above, originally scheduled for implementation by January 1, 2022, has been challenged in litigation and implementation is delayed indefinitely pending this litigation. For further information, see "SECTION X: OTHER INFORMATION—Litigation—*Miscellaneous*."

The delays in implementation described above have significantly forestalled the anticipated savings associated with the MA plan, all monies that would have been applied to the HISF's outstanding financial obligations. The City and the MLC are currently negotiating further savings to offset such obligations via health plan reforms, including a new preferred provider organization plan for active employees and pre-Medicare retirees. If the HISF were fully drawn, there could be a significant shift in costs to active City employees and pre-Medicare retirees in the form of additional health coverage fees and reductions in benefits, or the assumption of significant costs by the City.

Pensions

The City maintains a number of pension systems providing benefits for its employees and employees of various independent agencies (including certain Covered Organizations). For further information regarding the City's pension systems and the City's obligations thereto, see "SECTION IX: PENSION SYSTEMS AND OPEB."

Capital Expenditures

The City makes substantial capital expenditures to reconstruct, rehabilitate and expand the City's infrastructure and physical assets, including City mass transit facilities, water and sewer facilities, streets, bridges and tunnels, and

to make capital investments that will improve productivity in City operations. For additional information regarding the City's infrastructure, physical assets and capital program, see "SECTION VII: FINANCIAL PLAN—Long-Term Capital Program" and "—Financing Program."

The City utilizes a three-tiered capital planning process consisting of the Ten-Year Capital Strategy (previously, the Ten-Year Capital Plan), the four-year capital plan and the current-year Capital Budget. The Ten-Year Capital Strategy, which is published once every two years in conjunction with the Executive Budget as required by the City Charter, is a long-term planning tool designed to reflect fundamental allocation choices and basic policy objectives. The four-year capital plan, which is updated three times a year, as required by the City Charter, translates mid-range policy goals into specific projects. The Capital Budget defines for each fiscal year specific projects and the timing of their initiation, design, construction and completion.

On January 16, 2025, the City published the Preliminary Ten-Year Capital Strategy for fiscal years 2026 through 2035. The Preliminary Ten-Year Capital Strategy totals \$170.0 billion, of which approximately 97.8% would be financed with City funds.

The Preliminary Ten-Year Capital Strategy includes, among other items: (i) \$24.9 billion to construct new schools and improve existing educational facilities, including CUNY; (ii) \$33.3 billion for improvements to the water and sewer system; (iii) \$24.5 billion for expanding and upgrading the City's housing stock; (iv) \$12.4 billion for reconstruction or resurfacing of City streets; (v) \$0.4 billion for continued City-funded investment in mass transit; (vi) \$17.1 billion for the continued reconstruction and rehabilitation of all four East River bridges and 108 other bridge structures; (vii) \$11.9 billion to design and construct new jail facilities as well as to upgrade equipment, vehicles, and necessary systems; and (viii) \$2.8 billion for construction and improvement of court facilities.

For a discussion of the City's debt limit, see "SECTION VIII: INDEBTEDNESS—Indebtedness of the City and Certain Other Entities—*Limitations on the City's Authority to Contract Indebtedness.*"

Those programs in the Preliminary Ten-Year Capital Strategy financed with City funds are currently expected to be funded primarily from the issuance of bonds by the City, the Water Authority and the TFA. From time to time, during recessionary periods when operating revenues have come under increasing pressure, capital funding levels have been reduced from those previously contemplated in order to reduce debt service costs. For information concerning the City's long-term financing program for capital expenditures, see "SECTION VII: FINANCIAL PLAN—Financing Program."

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The City's capital expenditures, including expenditures funded by State and federal grants, totaled \$56.4 billion during the 2020 through 2024 fiscal years. City-funded expenditures, which totaled \$51.9 billion during the 2020 through 2024 fiscal years, have been financed through the issuance of bonds by the City, the TFA and the Water Authority. The following table summarizes the major categories of capital expenditures in the City's 2020 through 2024 fiscal years.

	2020	2021	2022	2023	2024	Total
Education	\$ 2,853	\$ 2,374	\$ 3,080	\$ 3,703	\$ 4,221	\$ 16,232
Environmental Protection	1,846	1,816	1,765	1,593	1,717	8,737
Transportation	1,341	1,187	1,083	943	1,254	5,809
Transit Authority ⁽¹⁾	95	79	422	479	548	1,623
Housing	904	1,143	1,018	1,735	2,701	7,500
Hospitals	363	441	440	507	351	2,102
Sanitation	202	252	196	256	424	1,330
All Other ⁽²⁾	2,169	2,140	2,526	2,934	3,307	13,076
Total Expenditures ⁽³⁾	<u>\$ 9,774</u>	<u>\$ 9,431</u>	<u>\$ 10,530</u>	<u>\$ 12,150</u>	<u>\$ 14,524</u>	<u>\$ 56,409</u>
City-funded Expenditures ⁽⁴⁾	<u>\$ 9,331</u>	<u>\$ 8,579</u>	<u>\$ 9,440</u>	<u>\$ 10,552</u>	<u>\$ 13,951</u>	<u>\$ 51,853</u>

Note: Totals may not add due to rounding.

(1) Excludes the Transit Authority's non-City portion of the MTA capital program.

(2) All Other includes, among other things, parks, correction facilities, public structures and equipment.

(3) Total Expenditures for the 2020 through 2024 fiscal years include City, State, and federal funding and represent amounts which include an accrual for work-in-progress.

(4) City-funded Expenditures do not include accruals but represent actual cash disbursements occurring during the fiscal year.

The City annually issues a condition assessment and a proposed maintenance schedule for the major portion of its assets and asset systems which have a replacement cost of \$10 million or more and a useful life of at least ten years, as required by the City Charter. For information concerning a report which sets forth the recommended capital investment to bring certain identified assets of the City to a state of good repair, see "SECTION VII: FINANCIAL PLAN—Long-Term Capital Program."

SECTION VI: FINANCIAL OPERATIONS

The City's Annual Report for the fiscal year ended June 30, 2024 is included by specific reference in this Appendix as "EXHIBIT B—ANNUAL COMPREHENSIVE FINANCIAL REPORT." The Annual Report for the fiscal year ended June 30, 2024 is available for inspection at the Office of the City Comptroller and at <https://comptroller.nyc.gov/reports/annual-comprehensive-financial-reports/> and is available on EMMA (as defined herein) (<https://emma.msrb.org>). For a summary of the City's significant accounting policies, see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note A." For a summary of the City's operating results for the previous five fiscal years, see "2020-2024 Summary of Operations" below.

Except as otherwise indicated, all of the financial data relating to the City's operations contained herein, although derived from the City's books and records, are unaudited. In addition, neither the City's independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the Financial Plan or other estimates or projections contained elsewhere herein, nor have they expressed any opinion or any other form of assurance on such prospective financial information or its achievability, and assume no responsibility for, and disclaim any association with, all such prospective financial information.

The Financial Plan is prepared in accordance with standards set forth in the Financial Emergency Act and the City Charter. The Financial Plan contains projections and estimates that are based on expectations and assumptions which existed at the time such projections and estimates were prepared. The estimates and projections contained in this Section and elsewhere herein are based on, among other factors, evaluations of historical revenue and expenditure data, analyses of economic trends and current and anticipated federal and State legislation affecting the City's finances. The City's financial projections are based upon numerous assumptions and are subject to certain contingencies and periodic revisions which may involve substantial change. This prospective information is not fact and should not be relied upon as being necessarily indicative of future results. The City makes no representation or warranty that these estimates and projections will be realized. The estimates and projections contained in this Section and elsewhere herein were not prepared with a view towards compliance with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information.

2020-2024 Summary of Operations

The following table sets forth the City's results of operations for its 2020 through 2024 fiscal years in accordance with GAAP, after discretionary and other transfers and except for the application of GASB 49 and without regard to certain fund balances permitted to be carried forward as described in "SECTION I: INTRODUCTORY STATEMENT."

The information regarding the 2020 through 2024 fiscal years has been derived from the City's audited financial statements and should be read in conjunction with the notes accompanying this table and the City's 2023 and 2024 financial statements included in "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT." The 2020 through 2022 financial statements are not separately presented herein. For further information regarding the City's revenues and expenditures, see "SECTION IV: SOURCES OF CITY REVENUES" and "SECTION V: CITY SERVICES AND EXPENDITURES."

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	Fiscal Year ⁽¹⁾				
	Actual				
	2020	2021	2022	2023	2024
	(In Millions)				
Revenues and Transfers					
Real Estate Tax ⁽²⁾	\$ 29,816	\$ 31,464	\$ 29,582	\$ 31,645	\$ 32,987
Other Taxes ⁽³⁾⁽⁴⁾	33,274	34,070	40,015	41,792	41,190
Miscellaneous Revenues ⁽³⁾	5,269	5,168	5,013	5,983	6,403
Other Categorical Grants	1,105	1,177	885	1,054	1,203
Unrestricted Federal and State Aid	11	1	498	186	41
Federal Categorical Grants.....	9,581	12,620	15,201	10,139	11,397
State Categorical Grants.....	15,334	14,597	15,847	17,070	19,231
Disallowances Against Categorical Grants	(5)	(24)	(35)	(13)	(13)
Total Revenues and Transfers ⁽⁵⁾	\$ 94,385	\$ 99,073	\$107,006	\$107,856	\$112,439
Expenditures and Transfers					
Social Services	\$ 15,631	\$ 15,475	\$ 16,574	\$ 18,105	\$ 19,822
Board of Education	27,903	28,288	31,306	30,976	32,866
City University.....	1,117	1,060	1,109	1,126	1,129
Public Safety and Judicial.....	10,791	10,548	11,937	12,070	12,356
Health Services	2,520	4,554	4,699	4,084	5,168
Pensions ⁽⁶⁾	9,672	9,334	9,599	8,988	9,215
Debt Service ⁽³⁾⁽⁷⁾	6,554	8,193	6,294	7,115	6,762
All Other ⁽⁸⁾	20,192	21,616	24,033	25,387	25,116
Total Expenditures and Transfers ⁽⁵⁾	\$ 94,380	\$ 99,068	\$105,551	\$107,851	\$112,434
Surplus ⁽⁹⁾	\$ 5	\$ 5	\$ 1,455	\$ 5	\$ 5

(1) The City's results of operations refer to the City's General Fund revenues and transfers reduced by expenditures and transfers. The revenues and assets of PBCs included in the City's audited financial statements do not constitute revenues and assets of the City's General Fund, and, accordingly, the revenues of such PBCs are not included in the City's results of operations. Expenditures required to be made and revenues earned by the City with respect to such PBCs are included in the City's results of operations. For further information regarding the particular PBCs included in the City's financial statements, see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note A."

(2) In fiscal years 2020 through 2024, Real Estate Tax includes \$165.5 million, \$153.5 million, \$146.3 million, \$137.9 million and \$127.7 million, respectively, which was provided to the City by the State as a reimbursement for the reduced property tax revenues resulting from the State's STAR Program.

(3) Other Taxes include as revenues to the City the personal income tax revenues retained by the TFA of \$512 million, \$276 million, \$175 million, \$1.282 billion and \$845 million in fiscal years 2020 through 2024, respectively. Debt Service includes as a debt service expense the funding requirements associated with TFA Future Tax Secured Bonds of \$512 million, \$276 million, \$175 million, \$1.282 billion and \$845 million in fiscal years 2020 through 2024, respectively. Debt Service does not include debt service on TSASC bonds. Miscellaneous Revenues includes TSRs that are not retained by TSASC for debt service and operating expenses.

(4) Other Taxes includes tax audit revenues. For further information regarding the City's revenues from Other Taxes, see "SECTION IV: SOURCES OF CITY REVENUES—Other Taxes."

(5) Total Revenues and Transfers and Total Expenditures and Transfers exclude Inter-Fund Revenues.

(6) For information regarding pension expenditures, see "SECTION IX: PENSION SYSTEMS AND OPEB"

(7) Debt Service includes discretionary transfers of \$1.269 billion, \$3.0 billion, \$3.318 billion, \$2.812 billion and \$1.954 billion into the General Debt Service Fund in fiscal years 2020 through 2024, respectively, a prepayment of \$40 million of lease debt service in fiscal year 2022, and grants from the City to the TFA of \$2.550 billion, \$2.682 billion, \$1.965 billion, \$2.167 billion and \$2.443 billion in fiscal years 2020 through 2024, respectively, which were used by the TFA to pay debt service in the following fiscal year thereby decreasing the TFA funding requirements.

(8) All Other includes payments into the Retiree Health Benefits Trust of \$100 million, \$425 million, \$792 million and \$500 million in fiscal years 2019, 2021, 2022 and 2023, respectively, a payment from the Retiree Health Benefits Trust of approximately \$1 billion to pay for OPEB costs in fiscal year 2020, and payment of \$200 million of subsidies to NYCHH in fiscal year 2019 otherwise due in fiscal year 2020.

(9) Surplus is the surplus after discretionary and other transfers and expenditures. The City had general fund operating revenues exceeding expenditures of \$3.824 billion, \$6.112 billion, \$7.570 billion, \$5.483 billion and \$4.402 billion in fiscal years 2020 through 2024, respectively, before discretionary and other transfers and without regard to certain fund balances permitted to be carried forward as described in "SECTION I: INTRODUCTORY STATEMENT." Discretionary and other transfers are included in Debt Service and All Other. All year-end budget surpluses have been deposited into the Revenue Stabilization Fund. See "SECTION VII: FINANCIAL PLAN—Revenue Stabilization Fund."

Forecast of 2025 Results

The following table compares the forecast for the 2024 fiscal year contained in the financial plan, submitted to the Control Board in June 2024 (the “June 2024 Forecast”), with the forecast contained in the Financial Plan, which was submitted to the Control Board on January 16, 2025 (the “January 2025 Forecast”). Each forecast was prepared on a basis consistent with GAAP except for the application of GASB 49 and without regard to certain fund balances, which may be carried forward as described in “SECTION I: INTRODUCTORY STATEMENT.” For information regarding recent developments, see “SECTION II: RECENT FINANCIAL DEVELOPMENTS.”

	June 2024 Forecast	January 2025 Forecast	Increase/(Decrease) from June 2024 Forecast
		(In Millions)	
REVENUES			
Taxes			
General Property Tax	\$ 34,164	\$ 34,223	\$ 59
Other Taxes	42,111	43,364	1,253 ⁽¹⁾
Tax Audit Revenues	773	773	-
Subtotal – Taxes.....	\$ 77,048	\$ 78,360	\$ 1,312
Miscellaneous Revenues	8,123	8,328	205 ⁽²⁾
Unrestricted Intergovernmental Aid	-	16	16
Less: Intra-City Revenue	(1,953)	(2,058)	(105)
Disallowances Against Categorical Grants.....	(15)	(15)	-
Subtotal – City Funds	\$ 83,203	\$ 84,631	\$ 1,428
Other Categorical Grants	1,107	1,186	79
Inter-Fund Revenues	762	766	4
Federal Categorical Grants.....	7,922	9,689	1,767 ⁽³⁾
State Categorical Grants.....	19,438	20,220	782 ⁽⁴⁾
Total Revenues.....	\$ 112,432	\$ 116,492	\$ 4,060
EXPENDITURES			
Personal Services			
Salaries and Wages	\$ 32,899	\$ 32,834	\$ (65)
Pensions	10,347	10,071	(276) ⁽⁵⁾
Fringe Benefits	14,134	14,022	(112) ⁽⁶⁾
Subtotal – Personal Services	\$ 57,380	\$ 56,927	\$ (453)
Other Than Personal Services			
Medical Assistance.....	6,743	6,743	-
Public Assistance.....	1,650	2,570	920 ⁽⁷⁾
All Other.....	43,490	46,453	2,963 ⁽⁸⁾
Subtotal – Other Than Personal Services.....	\$ 51,883	\$ 55,766	\$ 3,883
Debt Service	8,069	7,860	(209)
FY 2024 Budget Stabilization.....	(4,397)	(4,397)	-
FY 2025 Budget Stabilization.....	-	2,344	2,344 ⁽⁹⁾
Capital Stabilization Reserve	250	-	(250)
General Reserve	1,200	50	(1,150)
Less: Intra-City Revenue	(1,953)	(2,058)	(105)
Net Total Expenditures	\$ 112,432	\$ 116,492	\$ 4,060

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- (1) The increase in Other Taxes is due to increases of \$732 million in general corporation tax, \$132 million in personal income tax which includes the pass-through entity tax, \$195 million in sales tax, \$355 million in unincorporated business tax, \$18 million in hotel tax, \$25 million in mortgage recording tax, \$4 million in cannabis tax, and \$106 million in all other taxes, offset by decreases of \$83 million in sales tax, \$49 million in real property transfer tax, \$8 million in commercial rent tax, and \$1 million in cigarette tax.
- (2) The increase in Miscellaneous Revenues is due to increases of \$130 million in interest income, \$105 million in intra-city revenues, \$10 million in fines and forfeitures, \$3 million in franchises, \$2 million in miscellaneous and other revenue, and \$1 million in permit revenues offset by decreases of \$27 million in water and sewer charges, \$18 million in charges for services and \$1 million in rental income.
- (3) The increase in Federal Categorical Grants is due to increases of \$322 million in children services funding, \$299 million in social services funding, \$280 million in health and mental hygiene funding, \$239 million in mayoralty funding, \$225 million in housing preservation and development funding, \$218 million in police department funding, \$53 million in fire department funding, \$24 million in department of environmental protection funding, \$20 million in department of transportation funding, \$20 million in debt service funding, \$15 million in department of emergency management funding, \$11 million in homeless services funding and \$41 million in other agencies funding.
- (4) The increase in State Categorical Grants is due to increases of \$256 million in social services funding, \$191 million in criminal justice funding, \$139 million in education funding, \$83 million in district attorney funding, \$36 million in children services funding, \$32 million in police funding, \$28 million in health and mental hygiene funding, \$23 million in transportation funding, and \$30 million in other agencies funding offset by a decrease of \$36 million in miscellaneous funding.
- (5) The decrease in Pensions is primarily due to the elimination of the budget reserve in fiscal year 2025 for potential costs that could arise from a pending audit of actuarial assumptions.
- (6) The decrease in Fringe Benefits is primarily due to personnel and staffing related changes.
- (7) The increase in Public Assistance is primarily due to an increase in individuals receiving public assistance.
- (8) The increase of \$2.963 billion in Other Than Personal Services - All Other is due to expense increases to be funded in part by \$1.529 billion of Federal Categorical Grants, \$543 million of State Categorical Grants, \$747 million of City Funds and \$144 million of other funds.
- (9) FY 2025 Budget Stabilization reflects, in fiscal year 2025, a grant of \$2.344 billion to the TFA for debt service due in fiscal year 2026.

SECTION VII: FINANCIAL PLAN

The following table sets forth the City’s projected operations on a basis consistent with GAAP, except for the application of GASB 49 and without regard to certain fund balances, which may be carried forward as described in “SECTION I: INTRODUCTORY STATEMENT,” for the 2025 through 2029 fiscal years as contained in the Financial Plan. This table should be read in conjunction with the accompanying notes, “Actions to Close the Remaining Gaps” and “Assumptions” below. For information regarding recent developments, see “SECTION II: RECENT FINANCIAL DEVELOPMENTS.”

	Fiscal Years ⁽¹⁾⁽²⁾				
	2025	2026	2027	2028	2029
	(In Millions)				
REVENUES					
Taxes					
General Property Tax ⁽³⁾	\$ 34,223	\$ 34,839	\$ 35,831	\$ 36,659	\$ 37,491
Other Taxes ⁽⁴⁾	43,364	44,409	45,429	46,975	49,047
Tax Audit Revenue	773	773	773	773	773
Subtotal – Taxes.....	\$ 78,360	\$ 80,021	\$ 82,033	\$ 84,407	\$ 87,311
Miscellaneous Revenues ⁽⁵⁾	8,328	7,901	7,837	7,866	7,899
Unrestricted Intergovernmental Aid	16	—	—	—	—
Less: Intra-City Revenue	(2,058)	(1,808)	(1,796)	(1,791)	(1,791)
Disallowances Against Categorical Grants.....	(15)	(15)	(15)	(15)	(15)
Subtotal – City Funds.....	\$ 84,631	\$ 86,099	\$ 88,059	\$ 90,467	\$ 93,404
Other Categorical Grants	1,186	1,116	1,111	1,109	1,108
Inter-Fund Revenues ⁽⁶⁾	766	777	778	778	778
Federal Categorical Grants	9,689	7,371	7,190	7,244	7,305
State Categorical Grants	20,220	19,161	19,185	18,680	18,843
Total Revenues.....	\$ 116,492	\$ 114,524	\$ 116,323	\$ 118,278	\$ 121,438
EXPENDITURES					
Personal Service					
Salaries and Wages	\$ 32,834	\$ 34,019	\$ 34,956	\$ 35,897	\$ 36,688
Pensions	10,071	10,574	10,927	11,770	11,312
Fringe Benefits.....	14,022	14,688	15,264	15,875	16,515
Subtotal – Personal Service	\$ 56,927	\$ 59,281	\$ 61,147	\$ 63,542	\$ 64,515
Other Than Personal Service					
Medical Assistance	6,743	6,583	6,733	6,883	7,033
Public Assistance	2,570	1,650	2,000	2,463	2,905
All Other ⁽⁷⁾	46,453	40,896	41,467	40,602	41,010
Subtotal – Other Than Personal Service	\$ 55,766	\$ 49,129	\$ 50,200	\$ 49,948	\$ 50,948
Debt Service ⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	7,860	8,816	9,569	10,510	11,397
FY 2024 Budget Stabilization & Discretionary					
Transfers ⁽⁹⁾	(4,397)	—	—	—	—
FY 2025 Budget Stabilization ⁽¹⁰⁾	2,344	(2,344)	—	—	—
Capital Stabilization Reserve ⁽¹¹⁾	—	250	250	250	250
General Reserve.....	50	1,200	1,200	1,200	1,200
Less: Intra-City Expenses	(2,058)	(1,808)	(1,796)	(1,791)	(1,791)
Total Expenditures	\$ 116,492	\$ 114,524	\$ 120,570	\$ 123,659	\$ 126,519
Gap to be Closed.....	\$ —	\$ —	\$ (4,247)	\$ (5,381)	\$ (5,081)

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- (1) The four year financial plan for the 2025 through 2028 fiscal years, as submitted to the Control Board on June 30, 2024, contained the following projections for the 2025-2028 fiscal years: (i) for 2025, total revenues of \$112.432 billion and total expenditures of \$112.432 billion; (ii) for 2026, total revenues of \$112.317 billion and total expenditures of \$117.820 billion, with a gap to be closed of \$5.503 billion; (iii) for 2027, total revenues of \$114.986 billion and total expenditures of \$120.578 billion, with a gap to be closed of \$5.592 billion; and (iv) for 2028, total revenues of \$116.894 billion and total expenditures of \$123.363 billion, with a gap to be closed of \$6.469 billion.
The four year financial plan for the 2024 through 2027 fiscal years, as submitted to the Control Board on June 30, 2023, contained the following projections for the 2024-2027 fiscal years: (i) for 2024, total revenues of \$107.115 billion and total expenditures of \$107.115 billion; (ii) for 2025, total revenues of \$105.787 billion and total expenditures of \$110.866 billion, with a gap to be closed of \$5.079 billion; (iii) for 2026, total revenues of \$106.365 billion and total expenditures of \$113.201 billion, with a gap to be closed of \$6.836 billion; and (iv) for 2027, total revenues of \$108.808 billion and total expenditures of \$116.708 billion, with a gap to be closed of \$7.900 billion.
The four year financial plan for the 2023 through 2026 fiscal years, as submitted to the Control Board on June 13, 2022, contained the following projections for the 2023-2026 fiscal years: (i) for 2023, total revenues of \$101.124 billion and total expenditures of \$101.124 billion; (ii) for 2024, total revenues of \$101.002 billion and total expenditures of \$105.212 billion, with a gap to be closed of \$4.210 billion; (iii) for 2025, total revenues of \$102.229 billion and total expenditures of \$105.943 billion, with a gap to be closed of \$3.714 billion; and (iv) for 2026, total revenues of \$102.761 billion and total expenditures of \$106.741 billion, with a gap to be closed of \$3.980 billion.
The four year financial plan for the 2022 through 2025 fiscal years, as submitted to the Control Board on June 30, 2021, contained the following projections for the 2022-2025 fiscal years: (i) for 2022, total revenues of \$98.723 billion and total expenditures of \$98.723 billion; (ii) for 2023, total revenues of \$97.724 billion and total expenditures of \$101.775 billion, with a gap to be closed of \$4.051 billion; (iii) for 2024, total revenues of \$99.516 billion and total expenditures of \$103.353 billion, with a gap to be closed of \$3.837 billion; and (iv) for 2025, total revenues of \$100.960 billion and total expenditures of \$105.029 billion, with a gap to be closed of \$4.069 billion.
- (2) The Financial Plan combines the operating revenues and expenditures of the City, the DOE and CUNY. The Financial Plan does not include the total operations of NYCHH but does include the City's subsidy to NYCHH and the City's share of NYCHH revenues and expenditures related to NYCHH's role as a Medicaid provider. Certain Covered Organizations and PBCs which provide governmental services to the City, such as the Transit Authority, are separately constituted and their revenues are not included in the Financial Plan; however, City subsidies and certain other payments to these organizations are included. Revenues and expenditures are presented net of intra-City items, which are revenues and expenditures arising from transactions between City agencies.
- (3) For a description of the STAR Program, and other real estate tax assumptions, see "SECTION VII: FINANCIAL PLAN—Assumptions—Revenue Assumptions—2. REAL ESTATE TAX."
- (4) Personal income taxes, including the pass through entity tax, flow directly from the State to the TFA, and from the TFA to the City only to the extent not required by the TFA for debt service, reserves, operating expenses and contractual and other obligations incurred pursuant to the TFA indenture. Sales taxes will flow directly from the State to the TFA to the extent necessary to provide statutory coverage. Other Taxes includes amounts that are expected to be retained by the TFA for its funding requirements associated with TFA Future Tax Secured Bonds. See "SECTION IV: SOURCES OF CITY REVENUES—Other Taxes."
- (5) Miscellaneous Revenues reflects the receipt by the City of TSRs not used by TSASC for debt service and other expenses. For information on TSASC, see "SECTION IV: SOURCES OF CITY REVENUES—Miscellaneous Revenues."
- (6) Inter-Fund Revenues represents General Fund expenditures, properly includable in the Capital Budget, made on behalf of the Capital Projects Fund pursuant to inter-fund agreements.
- (7) For a discussion of the categories of expenditures in Other Than Personal Services—All Other, see "SECTION VII: FINANCIAL PLAN—Assumptions—Expenditure Assumptions—2. OTHER THAN PERSONAL SERVICES COSTS."
- (8) For a discussion of the debt service, see "SECTION VII: FINANCIAL PLAN—Assumptions—Expenditure Assumptions—3. GENERAL OBLIGATION, LEASE AND TFA DEBT SERVICE."
- (9) FY 2024 Budget Stabilization reflects, in fiscal year 2024, the discretionary transfer of \$1.954 billion into the General Debt Service Fund and a grant of \$2.443 billion to the TFA, each for debt service due in fiscal year 2025.
- (10) FY 2025 Budget Stabilization reflects, in fiscal year 2025, a grant of \$2.344 billion to the TFA, for debt service due in fiscal year 2026.
- (11) The Capital Stabilization Reserve reflects a capital reserve which will be available to make capital projects more efficient or for debt retirement in an economic downturn.

Implementation of various measures in the Financial Plan may be uncertain. If these measures cannot be implemented, the City will be required to take actions to decrease expenditures or increase revenues to maintain a balanced financial plan. See "Assumptions" and "Certain Reports" below.

Actions to Close the Remaining Gaps

Although the City has maintained balanced budgets in each of its last 44 fiscal years, except for the application of GASB 49 with respect to fiscal years 2010 through 2024, and without regard to certain fund balances permitted to be carried forward as described in "SECTION I: INTRODUCTORY STATEMENT," in fiscal years 2020 through 2024, and is projected to achieve balanced operating results for the 2025 and 2026 fiscal years, except for the application of GASB 49 and without regard to certain fund balances, which may be carried forward as described in "SECTION I: INTRODUCTORY STATEMENT," there can be no assurance that the Financial Plan or future actions to close projected outyear gaps can be successfully implemented or that the City will maintain a balanced budget in future years without

additional federal or State aid, revenue increases or expenditure reductions. Additional tax increases and reductions in essential City services could adversely affect the City's economic base.

Revenue Stabilization Fund

The Revenue Stabilization Fund (also referred to as the Rainy Day Fund) was established in fiscal year 2021 pursuant to amendments to the City Charter and the Financial Emergency Act. All year-end budget surpluses, after discretionary and other transfers and expenditures, including such surpluses accumulated prior to the establishment of the Revenue Stabilization Fund, have been and will continue to be deposited into such fund, along with additional amounts appropriated into such fund pursuant to the City budget process. Amounts in the Revenue Stabilization Fund may be carried forward for use in a future fiscal year or fiscal years. However, no more than fifty percent of the total amount of the Revenue Stabilization Fund may be withdrawn in any fiscal year unless the Mayor has certified that there is a compelling fiscal need. The balance in the Revenue Stabilization Fund as of June 30, 2024 was \$1.964 billion.

Assumptions

The Financial Plan is based on numerous assumptions, including the condition of the City's and the region's economies and the concomitant receipt of economically sensitive tax revenues in the amounts projected. As shown in the Forecast of Key Economic Indicators below, the Financial Plan assumes no economic recession during the years of the Financial Plan. The Financial Plan is subject to various other uncertainties and contingencies relating to, among other factors, the extent, if any, to which wage increases for City employees exceed the annual wage costs assumed; realization of projected earnings for pension fund assets and current assumptions with respect to wages for City employees affecting the City's required pension fund contributions; the willingness and ability of the State to provide the aid contemplated by the Financial Plan and to take various other actions to assist the City; the ability of NYCHH and other such entities to maintain balanced budgets; the willingness of the federal government to provide the amount of federal aid contemplated in the Financial Plan; the impact on City revenues and expenditures of federal and State legislation affecting Medicare or other entitlement programs; adoption of the City's budgets by the City Council in substantially the forms submitted by the Mayor; the ability of the City to implement cost reduction initiatives, and the success with which the City controls expenditures; the impact of conditions in the real estate market on real estate tax revenues; the ability of the City and other financing entities to market their securities successfully in the public credit markets; the impact of the outbreak of COVID-19; and the extension of the authorization to sell real property tax liens. See "SECTION II: RECENT FINANCIAL DEVELOPMENTS." Certain of these assumptions are reviewed in reports issued by the City Comptroller and other public officials. See "SECTION VII: FINANCIAL PLAN—Certain Reports."

The projections and assumptions contained in the Financial Plan are subject to revision, which may be substantial. No assurance can be given that these estimates and projections, which include actions the City expects will be taken but are not within the City's control, will be realized. For information regarding certain recent developments, see "SECTION II: RECENT FINANCIAL DEVELOPMENTS."

Revenue Assumptions

1. GENERAL ECONOMIC CONDITIONS

The following table presents a forecast of the key economic indicators for the calendar years 2024 through 2029. This forecast is based upon information available in January 2025.

FORECAST OF KEY ECONOMIC INDICATORS

	Calendar Years						
	2024	2025	2026	2027	2028	2029	1979-2023 ⁽¹⁾
<u>U.S. ECONOMY</u>							
Real GDP (billions of 2017 dollars).....	\$23,284	\$23,758	\$24,227	\$24,657	\$25,127	\$25,598	
Percent Change	2.7	2.0	2.0	1.8	1.9	1.9	2.6%
Non-Agricultural Employment (millions).....	158.5	159.9	160.3	160.4	160.8	161.6	
Level Change	2.5	1.3	0.4	0.1	0.4	0.8	
Percent Change	1.6	0.8	0.3	0.1	0.2	0.5	1.3
CPI-All Urban (1982-84=100).....	313.6	320.3	328.1	335.9	342.5	350.6	
Percent Change	2.9	2.1	2.4	2.4	2.0	2.3	3.3
Wage Rate (\$ per year).....	78,880	82,130	85,554	88,563	91,938	95,088	
Percent Change	5.0	4.1	4.2	3.5	3.8	3.4	3.9
Personal Income (\$ billions)	24,761	25,972	27,302	28,547	29,925	31,277	
Percent Change	5.8	4.9	5.1	4.6	4.8	4.5	5.7
Pre-Tax Corp Profits (\$ billions).....	4,067	4,076	3,927	4,085	4,110	4,179	
Percent Change	10.1	0.2	-3.7	4.0	0.6	1.7	5.9
Unemployment Rate (Percent).....	4.0	4.4	4.6	4.6	4.6	4.4	6.1 avg
10-year Treasury Bond Rate (Percent).....	4.2	3.9	4.0	3.5	3.5	3.5	5.8 avg
Federal Funds Rate (Percent).....	5.1	4.0	3.7	3.1	3.1	3.1	4.6 avg
<u>NYC ECONOMY</u>							
Real Gross City Product ⁽²⁾ (billions of 2017 dollars):.....	1,114	1,158	1,196	1,232	1,271	1,314	
Percent Change	3.4	3.9	3.3	3.0	3.2	3.4	2.8%
Non-Agricultural Employment ⁽³⁾ (thousands).....	4,748	4,811	4,882	4,953	5,040	5,128	
Level Change	77.4	63.3	70.6	71.2	86.8	88.4	
Percent Change	1.7	1.3	1.5	1.5	1.8	1.8	0.8
CPI- All Urban NY-NJ Area (1982-84=100).....	333.5	341.9	347.9	353.6	358.5	363.2	
Percent Change	3.6	2.5	1.8	1.6	1.4	1.3	3.4
Wage Rate (\$ per year).....	118,010	121,889	125,509	128,017	130,980	134,076	
Percent Change	3.3	3.3	3.0	2.0	2.3	2.4	4.6
Personal Income (\$ billions)	787.4	820.9	858.5	896.2	939.0	981.6	
Percent Change	5.8	4.3	4.6	4.4	4.8	4.5	5.5
<u>NYC REAL ESTATE MARKET</u>							
Manhattan Primary Office Market							
Asking Rental Rate ⁽⁴⁾ (\$ per square foot).....	81.8	82.2	82.7	83.0	83.7	84.1	
Percent Change	0.7	0.5	0.6	0.3	0.9	0.4	2.1%
Vacancy Rate ⁽⁴⁾ (Percent).....	22.7	21.9	20.9	19.9	19.0	18.3	11.4 avg

Footnotes from previous page

- (1) Compound annual growth rates for 1979-2023. Compound growth rate for Real Gross City Product covers the period 1990-2023.
- (2) Starting in 2021, forecasts of Gross City Product reflect estimates of local area GDP (for the City) published by the U.S. Bureau of Economic Analysis. Estimates of Gross City Product published prior to 2021 represent OMB's estimates of City economic activity.
- (3) Annual averages derived from non-seasonally adjusted quarterly forecasts.
- (4) Office market statistics are based on 1985-2024 data published by Cushman & Wakefield.

Source: OMB

2. REAL ESTATE TAX

Projections of real estate tax revenues are based on a number of assumptions, including, among others, assumptions relating to the tax rate, the assessed valuation of the City's taxable real estate, the delinquency rate, debt service needs, a reserve for uncollectible taxes, and the operating limit. See "SECTION IV: SOURCES OF CITY REVENUES—Real Estate Tax."

Projections of real estate tax revenues include net revenues from the sale of real property tax liens of \$80 million in each of fiscal years 2025 through 2029. The local law authorizing the City to sell real property tax liens expired on March 1, 2022 and a modified lien sale program was authorized on June 30, 2024. Projections of real estate tax revenues include the effects of the STAR Program which will reduce the real estate tax revenues by an estimated \$116 million, \$114 million, \$112 million, \$110 million and \$108 million in fiscal years 2025 through 2029, respectively. Projections of real estate tax revenues reflect the estimated cost of extending the current tax reduction for owners of cooperative and condominium apartments amounting to \$682 million, \$669 million, \$686 million, \$700 million and \$710 million in fiscal years 2025 through 2029, respectively.

The delinquency rate was 1.8% in fiscal year 2020, 2.0% in fiscal year 2021, 1.8% in fiscal year 2022, 2.1% in fiscal year 2023 and 2.2% in fiscal year 2024. The Financial Plan projects delinquency rates being 2.0% in fiscal year 2025 and averaging 2.0% from fiscal years 2026 through 2029. For information concerning the delinquency rates for prior years, see "SECTION IV: SOURCES OF CITY REVENUES —Real Estate Tax—*Collection of the Real Estate Tax.*" For a description of proceedings seeking real estate tax refunds from the City, see "SECTION X: OTHER INFORMATION—Litigation—*Taxes.*"

On April 24, 2017, a lawsuit was filed challenging the City's real property tax system and valuation methodology. See "SECTION X: OTHER INFORMATION—Litigation—*Taxes.*"

3. OTHER TAXES

The following table sets forth amounts of revenues (net of refunds) from taxes other than the real estate tax projected to be received by the City in the Financial Plan. The amounts set forth below exclude the Criminal Justice Fund and audit revenues.

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	2025	2026	2027	2028	2029
	(In Millions)				
Personal Income ⁽¹⁾	\$17,408	\$17,684	\$18,401	\$19,137	\$19,993
General Corporation.....	7,239	7,267	6,779	6,904	7,395
Banking Corporation.....	0	0	0	0	0
Unincorporated Business Income	3,024	3,140	3,197	3,252	3,387
Sales ⁽²⁾	10,288	10,751	11,198	11,684	12,075
Commercial Rent	931	951	966	979	992
Real Property Transfer.....	1,230	1,289	1,357	1,425	1,490
Mortgage Recording	712	781	863	903	942
Utility	449	469	531	507	535
Cigarette.....	13	12	12	12	12
Cannabis.....	14	20	28	30	30
Hotel Tax ⁽³⁾	761	790	821	846	878
All Other ⁽⁴⁾	1,295	1,318	1,341	1,364	1,388
Total ⁽⁵⁾	<u>\$43,364</u>	<u>\$44,472</u>	<u>\$45,494</u>	<u>\$47,043</u>	<u>\$49,117</u>

Note: Totals may not add due to rounding.

- (1) Personal Income includes \$897 million, \$1.676 billion, \$4.547 billion, \$5.060 billion and \$5.496 billion of personal income tax revenues projected to be retained by the TFA for debt service and other expenses in fiscal years 2025 through 2029, respectively. Personal income taxes also include the recently enacted pass-through entity tax. See "SECTION IV: SOURCES OF CITY REVENUES—Other Taxes."
- (2) Sales Tax reflects the imposition of sales tax on certain additional internet sales and providing that sales tax revenues in the amount of \$175 million in State fiscal year 2024 and thereafter increasing by one percent per year, will be directed to the MTA for transit improvements. In addition, the State 2025 Budget extended the withholding of Sales Tax Revenues for financially distressed hospitals and nursing home facilities through March 31, 2028. The extension resulted in reductions of \$37.5 million in fiscal year 2025, \$150 million in each of fiscal years 2026 and 2027 and \$112.5 million in fiscal year 2028, which are reflected in the projected sales tax revenues herein.
- (3) Hotel Tax includes the impact of an additional temporary hotel occupancy tax of 0.875 percent resulting in additional revenues of \$110.7 million, \$113.8 million, \$116.6 million, \$124.5 million and \$125.5 million in fiscal years 2025 through 2029, respectively.
- (4) All Other includes, among others, beer and liquor taxes and the automobile use tax. All Other also includes \$116 million, \$114 million, \$112 million, \$110 million and \$108 million in fiscal years 2025 through 2029, respectively, to be provided to the City by the State as reimbursement for the reduced property tax resulting from the STAR Program.
- (5) Does not reflect a proposal included in the Governor's Executive Budget which would provide a full City personal income tax credit to City residents with dependents, whose income meets the income thresholds set forth in the proposed legislation (the "Income Thresholds") and a partial personal income tax credit for those City residents with dependents, whose income is no more than \$5,000 above the Income Thresholds. If passed, such legislation would be effective as of January 1, 2025, and it is estimated the impact would be to reduce personal income tax revenues reflected herein by approximately \$63 million, \$65 million, \$68 million and \$70 million in fiscal years 2026 through 2029, respectively.

The Financial Plan reflects the following assumptions regarding projected baseline revenues from Other Taxes: (i) with respect to the personal income tax, an increase in fiscal year 2025 due to stronger withholding and non-withholding income, an increase in fiscal year 2026 as withholding income strength continues, offset by a drop in non-withholding income in fiscal year 2026, followed by a return to historical growth averages in fiscal years 2027 through 2029; (ii) with respect to the business corporation tax, increases in revenue in fiscal year 2025 reflecting continued growth in both finance and non-finance sectors, before flattening out in fiscal year 2026, with growth returning to more historical levels in fiscal years 2027 through 2029; (iii) with respect to the unincorporated business income tax, strong growth in fiscal year 2025 reflecting strength in both finance and non-finance sectors, which carries into fiscal year 2026 before leveling off in fiscal years 2027 through 2029; (iv) with respect to the sales tax, growth is expected to be moderate in fiscal year 2025 as tax collections continue to decelerate post-pandemic, with growth improving modestly in fiscal years 2026 through 2029; (v) with respect to the real property transfer tax, growth in fiscal year 2025 reflects higher prices due to lack of housing supply, as well as an increase in buying power due to a gradual decrease in interest rates, with growth anticipated in fiscal years 2026 through 2029 due to a further decline in interest rates; (vi) with respect to the mortgage recording tax, increases in fiscal year 2025 are projected, as interest rates begin to fall, with further growth expected in fiscal years 2026 through 2029 as interest rates continue to decrease; and (vii) increases in revenue throughout the forecast period reflect strong collections from high liability sectors and gradual improvement of Manhattan commercial office space leasing activity.

4. MISCELLANEOUS REVENUES

The following table sets forth amounts of miscellaneous revenues projected to be received by the City in the Financial Plan.

	2025	2026	2027	2028	2029
	(In Millions)				
Licenses, Permits and Franchises.....	\$ 723	\$ 727	\$ 707	\$ 710	\$ 712
Interest Income.....	510	329	288	270	272
Charges for Services.....	1,008	1,031	1,032	1,032	1,032
Water and Sewer Payments ⁽¹⁾	2,207	2,224	2,235	2,285	2,315
Rental Income	259	260	260	260	260
Fines and Forfeitures.....	1,244	1,230	1,230	1,220	1,220
Other.....	319	292	289	298	297
Intra-City Revenues.....	2,058	1,808	1,796	1,791	1,791
	<u>\$ 8,328</u>	<u>\$ 7,901</u>	<u>\$ 7,837</u>	<u>\$ 7,866</u>	<u>\$ 7,899</u>

⁽¹⁾ Received from the Water Board. The Financial Plan includes requests by the City for rental payments from the Water Board in the amount of \$289 million, \$303 million, \$315 million, \$363 million, and \$393 million in fiscal years 2025 through 2029, respectively. For further information regarding the Water Board, see “SECTION VII: FINANCIAL PLAN—Financing Program.”

Rental Income reflects approximately \$162.4 million in each of fiscal years 2025 through 2029 for lease payments for the City’s airports.

Other reflects \$86.9 million, \$73.5 million, \$73.0 million, \$84.4 million and \$83.5 million of projected resources in fiscal years 2025 through 2029, respectively, from the receipt by the City of TSRs. For more information, see “SECTION VI: SOURCES OF CITY REVENUES—Miscellaneous Revenues.” Economic and legal uncertainties relating to the tobacco industry and the settlement may significantly affect the receipt of TSRs by TSASC and the City.

5. FEDERAL AND STATE CATEGORICAL GRANTS

The following table sets forth amounts of federal and State categorical grants projected to be received by the City in the Financial Plan.

	2025	2026	2027	2028	2029
Federal					
Community Development.....	\$ 423	\$ 295	\$ 246	\$ 242	\$ 242
Social Services	4,112	3,498	3,497	3,607	3,703
Education.....	1,965	1,965	1,965	1,965	1,965
Other.....	3,189	1,613	1,482	1,430	1,395
Total	<u>\$ 9,689</u>	<u>\$ 7,371</u>	<u>\$ 7,190</u>	<u>\$ 7,244</u>	<u>\$ 7,305</u>
State					
Social Services	\$ 2,655	\$ 2,923	\$ 2,926	\$ 2,362	\$ 2,457
Education.....	13,529	13,527	13,528	13,527	13,527
Higher Education	280	280	280	280	280
Health and Mental Hygiene.....	675	687	687	687	687
Other.....	2,299	1,744	1,764	1,824	1,892
Total	<u>\$ 19,438</u>	<u>\$ 19,161</u>	<u>\$ 19,185</u>	<u>\$ 18,680</u>	<u>\$ 18,843</u>

The Financial Plan assumes that all existing federal and State categorical grant programs will continue, unless specific legislation provides for their termination or adjustment, and assumes increases in aid where increased costs are projected for existing grant programs. For information concerning federal and State aid and the possible impacts on the Financial Plan, see “SECTION I: INTRODUCTORY STATEMENT” and “SECTION II: RECENT FINANCIAL DEVELOPMENTS.”

As of November 30, 2024, approximately 17.4% of the City’s full-time and full-time equivalent employees (consisting of employees of the mayoral agencies and the DOE) were paid by Community Development funds, water and sewer funds and from other sources not funded by unrestricted revenues of the City.

A major component of federal categorical aid to the City is the Community Development program. Pursuant to federal legislation, Community Development grants are provided to cities primarily to aid low and moderate income persons by improving housing facilities, parks and other improvements, by providing certain social programs and by promoting economic development. These grants are based on a formula that takes into consideration such factors as population, age of housing and poverty.

The City’s receipt of categorical aid is contingent upon the satisfaction of certain statutory conditions and is subject to subsequent audits, possible disallowances and possible prior claims by the State or federal governments. The general practice of the State and federal governments has been to deduct the amount of any disallowances against the current year’s payment, although in some cases the City remits payment for disallowed amounts to the grantor. Substantial disallowances of aid claims may be asserted during the course of the Financial Plan. The City estimates probable amounts of disallowances of recognized grant revenues and makes the appropriate adjustments to recognized grant revenue for each fiscal year. In fiscal years 2013, 2014, 2015, 2016, 2020 and 2021, downward adjustments of \$59 million, \$19 million, \$110 million, \$1 million, \$5 million and \$24 million, respectively, were made. In fiscal years 2017, 2018 and 2019, upward adjustments of \$558 million, \$139 million and \$113 million, respectively, were made. In fiscal year 2022, a downward adjustment of \$35 million was made. In fiscal year 2023, a downward adjustment of \$13 million was made. As of June 30, 2023, the City had an accumulated reserve of \$331 million for all disallowances of categorical aid. As of June 30, 2024, the City had an accumulated reserve of \$33 million for disallowances of categorical aid.

Expenditure Assumptions

1. PERSONAL SERVICES COSTS

The following table sets forth projected expenditures for personal services costs contained in the Financial Plan.

	2025	2026	2027	2028	2029
	(In Millions)				
Wages and Salaries	\$ 32,311	\$ 32,924	\$ 33,579	\$ 33,845	\$ 34,022
Pensions	10,071	10,574	10,927	11,770	11,312
Other Fringe Benefits.....	14,022	14,688	15,264	15,875	16,515
Reserve for Collective Bargaining	523	1,095	1,377	2,052	2,666
Retiree Health Benefits Trust.....	—	—	—	—	—
Total	<u>\$ 56,927</u>	<u>\$ 59,281</u>	<u>\$ 61,147</u>	<u>\$ 63,542</u>	<u>\$ 64,515</u>

The Financial Plan projects that the authorized number of City-funded full-time and full-time equivalent employees will increase from an estimated level of 268,354 as of June 30, 2025 to an estimated level of 268,190 by June 30, 2029.

Other Fringe Benefits includes \$3.594 billion, \$3.754 billion, \$3.914 billion, \$4.090 billion and \$4.279 billion in fiscal years 2025 through 2029, respectively, for post-employment benefits other than pensions (“OPEB”) expenditures for current retirees, which costs are currently paid by the City on a pay-as-you-go basis. For information on deposits to the Retiree Health Benefits Trust to fund a portion of the future cost of OPEB for current and future retirees, see “SECTION VI: FINANCIAL OPERATIONS—2020-2024 Summary of Operations.”

The City has reached tentative or ratified contract agreements with DC 37, the PBA and others, which, together represent approximately 98% of the City’s unionized workforce for the 2021-2026 round of collective bargaining, the full cost of which is reflected in the Financial Plan. The Financial Plan also reflects the costs of labor settlements for the rest of the City workforce for such round based on the pattern set by the DC 37 or the PBA framework. The respective pattern framework provides raises totaling 16.21% for civilian workers and 18.98% for uniformed workers over a 60-month contract term. For further information, see “SECTION VII: FINANCIAL PLAN—Assumptions—

Expenditure Assumptions—2. OTHER THAN PERSONAL SERVICES COSTS—New York City Health and Hospitals.” For a discussion of the City’s pension systems, see “SECTION IX: PENSION SYSTEMS AND OPEB” and “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note E.5.”

2. OTHER THAN PERSONAL SERVICES COSTS

The following table sets forth projected other than personal services (“OTPS”) expenditures contained in the Financial Plan.

	2025	2026	2027	2028	2029
	(In Millions)				
Administrative OTPS and Energy	\$ 37,640	\$ 33,389	\$ 34,506	\$ 33,432	\$ 33,713
Public Assistance	2,570	1,650	2,000	2,463	2,905
Medical Assistance	6,743	6,583	6,733	6,883	7,033
NYCHH Support.....	2,710	2,282	1,670	1,719	1,720
Other	6,103	5,225	5,291	5,451	5,577
Total	<u>\$ 55,766</u>	<u>\$ 49,129</u>	<u>\$ 50,200</u>	<u>\$ 49,948</u>	<u>\$ 50,948</u>

Administrative OTPS and Energy

The Financial Plan contains estimates of the City’s administrative OTPS expenditures for general supplies and materials, equipment and selected contractual services, and the impact of agency gap-closing actions relating to such expenditures in the 2025 fiscal year. Energy costs for each of the 2025 through 2029 fiscal years are assumed to vary annually, with total energy expenditures projected at \$1.2 billion in fiscal year 2025 and increasing to \$1.39 billion by fiscal year 2029.

Public Assistance

Of total cash assistance expenditures in the City, the City-funded portion is projected to be \$1.3 billion in fiscal year 2025, \$875 million in fiscal year 2026, \$1.2 billion in fiscal year 2027, \$1.5 billion in fiscal year 2028 and \$1.7 billion in fiscal year 2029.

Medical Assistance

Medical assistance payments projected in the Financial Plan consist of payments to voluntary hospitals, skilled nursing facilities, intermediate care facilities, home care providers, pharmacies, managed care organizations, physicians and other medical practitioners.

The City-funded portion of medical assistance payments is expected to be \$6.6 billion, \$6.5 billion, \$6.6 billion, \$6.8 billion and \$6.9 billion in fiscal years 2025 through 2029, respectively. Such payments include the City’s capped share of local Medicaid expenditures as well as Supplemental Medicaid payments to NYCHH.

New York City Health and Hospitals

NYCHH, which provides essential services to over 1.1 million New Yorkers annually, faces near- and long-term financial challenges resulting from, among other things, changes in hospital reimbursement and the rising cost of medical services.

In May 2024, NYCHH released a cash-based financial plan, which projected City-funded expenditures of \$3.1 billion, \$3.0 billion, \$1.5 billion, \$1.5 billion and \$1.6 billion in fiscal years 2024 through 2028, respectively, in addition to the forgiveness of debt service for fiscal years 2024 through 2028 and the City’s contribution to supplemental Medicaid payments which is consistent with the City’s Financial Plan. NYCHH’s financial plan projected total receipts of \$12.4 billion, \$12.3 billion, \$10.7 billion, \$10.6 billion and \$10.6 billion, and total disbursements of \$12.4 billion, \$12.2 billion, \$10.8 billion, \$10.9 billion and \$11.0 billion in fiscal years 2024 through 2028, respectively.

NYCHH relies on significant projected revenue from Medicaid, Medicare and other third-party payor programs. Future changes to such programs could have adverse impacts on NYCHH's financial condition.

Other

The projections set forth in the Financial Plan for OTPS-Other include the City's contributions to NYCT, NYCHA and CUNY and subsidies to libraries and various cultural institutions. They also include projections for the cost of future judgments and claims which are discussed below under "Judgments and Claims." In the past, the City has provided additional assistance to certain Covered Organizations which had exhausted their financial resources prior to the end of the fiscal year. No assurance can be given that similar additional assistance will not be required in the future.

New York City Transit

NYCT operates under its own section of the Financial Plan as a Covered Organization. An accrual-based financial plan for NYCT covering its 2025 through 2028 fiscal years was published in November 2024 (the "2025 NYCT Financial Plan"). The NYCT fiscal year coincides with the calendar year. The 2025 NYCT Financial Plan reflects the negative impacts of the COVID-19 pandemic on MTA costs, ridership, and farebox revenue. The 2025 NYCT Financial Plan reflects City assistance to the NYCT operating budget of \$700 million in 2025, increasing to \$817 million in 2028. In addition, the 2025 NYCT Financial Plan projects real estate transfer tax revenue dedicated for NYCT use of \$410 million in 2025, higher than 2024's \$372 million; that amount increases each year to reach \$638 million by 2028. The 2025 NYCT Financial Plan reflects \$12.6 billion in revenues and \$15.5 billion in expenses for 2025, leaving a budget gap of \$2.9 billion. After accounting for accrual adjustments and cash carried over from 2024 there is a projected operating gap of \$490 million in 2025, followed by projected operating budget gaps of \$708 million in 2026, \$1.9 billion in 2027, and \$2.6 billion in 2028.

In 2009, a Payroll Mobility Tax ("PMT") was enacted into State law to provide \$0.34 for every \$100 of payroll in the MTA's twelve-county service area. This contribution was increased to \$0.60 for every \$100 of payroll in New York City in the State 2024 Budget. The PMT is currently expected to generate revenues for NYCT in the amount of \$1.9 billion in each of 2025 and 2026, \$1.3 billion in 2027 and \$1.9 billion in 2028.

The MTA has been able to correct the serious budget shortfalls reflected in recent financial plans through the receipt of one-time direct State aid, a State-mandated increase to the City's share of paratransit costs, and the implementation of new taxes, fare and toll increases, and operational efficiencies. The City's payments to the MTA remain dependent on future uncertainties such as additional state or federal funding, ridership trends, and service adjustments.

On September 19, 2019, the MTA released its 2020-2024 Capital Program, which took effect by default in January 2020. After amendment, the program includes \$55.4 billion for all MTA agencies, including \$34.6 billion to be invested in the NYCT core system and \$4.6 billion in NYCT network expansion. The entire 2020-2024 Capital Program was placed on hold in 2020 but resumed upon the announcement of \$6.5 billion in federal aid in the ARPA in March of 2021. The program was amended three times from its original \$54.8 billion total, once in December 2021, once in July 2022, and most recently in July 2023.

On January 5, 2025, vehicles entering a designated congestion zone, located below 60th Street in Manhattan, began being charged a toll, the revenues from which will be directed to the MTA for transit improvements, including \$15 billion for the 2020-2024 Capital Program. On February 19, 2025, the Secretary of the DOT provided written notification to the Governor stating that the Federal Highway Administration would rescind its prior approval of the congestion tolling program. The DOT instructed the State to cease collection of tolls by March 21, 2025, and subsequently extended that deadline to April 20, 2025. The MTA is challenging this determination in federal court. Although the program has no direct impact on the City's budget, if the DOT's termination of the program is enacted and legally enforceable and MTA's revenues are reduced, the City may be asked to increase its funding to the MTA. For further information regarding the MTA's congestion pricing program, see "SECTION II: RECENT FINANCIAL DEVELOPMENTS."

In addition to the toll revenues, the State 2020 Budget included legislation authorizing the imposition of sales tax on certain additional internet sales and providing that City sales tax revenues in the amount of \$128 million in State fiscal year 2020 (reflecting the portion of the year in which it is effective) and \$170 million in State fiscal year 2021 and thereafter increasing by one percent per year, will be directed to the MTA for transit improvements. Revenues from such additional sales tax are currently estimated to be approximately \$170 million per year and are in addition to existing sales taxes attributable to certain other internet transactions. Additionally, such legislation provided that State sales tax revenues in the amount of \$113 million in State fiscal year 2020 and \$150 million in State fiscal year 2021 and thereafter increasing by one percent per year, will be directed to the MTA for transit improvements. The State 2020 Budget also included legislation increasing real estate transfer taxes on properties valued at more than \$2 million, which will also be directed to the MTA for transit improvements.

The State fiscal year 2021 budget requires the City to contribute \$3 billion towards the 2020-2024 Capital Program concurrent with the State's \$3 billion contribution. Neither the City nor the State can use operating funds dedicated to the MTA to supplant their capital commitment and must pay on a schedule determined by the State Budget Director. The City has appropriated this \$3 billion, which has been made available to the MTA, and it is anticipated to be spent within the Preliminary Ten-Year Capital Strategy. The Governor's Executive Budget includes a proposal that the State and City each contribute an additional \$3 billion towards the MTA's 2025-2029 Capital Program, on a schedule to be set by the State.

The State fiscal year 2021 budget included a requirement that the City increase its funding of the MTA's net paratransit operating deficit from 33% to 50%. The State 2024 Budget further requires the City to increase its funding in City fiscal years 2024 and 2025 from 50% to the lower of 80% of the deficit or 50% of the deficit plus \$165 million. The City's Financial Plan reflects \$505 million in fiscal year 2025, and \$175 million in each of fiscal years 2026 through 2029 to cover the City's contributions for paratransit services, compared to MTA's estimates of \$499 million, \$510 million, \$550 million, \$577 million, and \$602 million in fiscal years 2025 through 2029, respectively. The MTA's assumes that the State will renew the increased contribution rate for the City after fiscal year 2025. The Governor's Executive Budget includes a proposal which, if enacted, would require that the City continue to fund the MTA's net paratransit operating deficit at the lower of 80% of the deficit or 50% of the deficit plus \$165 million in each of fiscal years 2026 through 2029. The City continues to monitor anticipated paratransit costs for future years.

Department of Education

State law requires the City to provide City funds for the DOE each year in an amount not less than the amount appropriated for the preceding fiscal year, excluding amounts for debt service and pensions for the DOE. Such City funding must be maintained, unless total City funds for the fiscal year are estimated to be lower than in the preceding fiscal year, in which case the mandated City funding for the DOE may be reduced by an amount up to the percentage reduction in total City funds.

Judgments and Claims

In the fiscal year ended on June 30, 2024, the City expended \$1.5 billion for judgments and claims. Such expenses reflect, in part, payments made relating to a class action lawsuit against the Board of Education. For further information on this litigation, see "SECTION X: OTHER INFORMATION—Litigation." The Financial Plan includes provisions for judgments and claims of \$877.2 million, \$823.2 million, \$840.2 million, \$862.5 million and \$890.6 million for the 2025 through 2029 fiscal years, respectively. These projections incorporate a substantial amount of claims costs attributed to NYCHH, estimated to be \$140 million in each year of the Financial Plan, for which NYCHH reimburses the City unless otherwise forgiven by the City, which was the case in fiscal years 2013 and 2016. The City is a party to numerous lawsuits and is the subject of numerous claims and investigations. The City has estimated that its potential future liability on account of outstanding claims against it amounted to approximately \$7.5 billion as of June 30, 2025. This estimate was made by categorizing the various claims and applying a statistical model, based primarily on actual settlements by type of claim during the preceding ten fiscal years, and by supplementing the estimated liability with information supplied by the City's Corporation Counsel. For further information regarding certain of these claims, see "SECTION X: OTHER INFORMATION—Litigation."

In addition to the above claims, numerous real estate tax *certiorari* proceedings involving allegations of inequality of assessment, illegality and overvaluation are currently pending against the City. Based on historical settlement

activity, and including an estimated premium for inequality of assessment, the City estimates its potential future liability for outstanding *certiorari* proceedings to be \$1.61 billion and \$1.47 billion for the fiscal years ended June 30, 2024 and June 30, 2023, respectively, as reported in the City's Financial Statements. Provision has been made in the Financial Plan for estimated refunds of \$500 million in fiscal year 2025 and \$550 million in each of fiscal years 2026 through 2029. For further information concerning these claims, certain remedial legislation related thereto and the City's estimates of potential liability, see "SECTION X: OTHER INFORMATION—Litigation—*Taxes*" and "Appendix B—Annual Comprehensive Financial Report—Notes to Financial Statements—Note D.5."

3. GENERAL OBLIGATION, LEASE AND TFA DEBT SERVICE

Debt service estimates for fiscal years 2025 through 2029 include debt service on outstanding general obligation bonds and conduit debt, the funding requirements associated with outstanding TFA Future Tax Secured Bonds, and estimates of debt service costs of, or funding requirements associated with, future general obligation, conduit and TFA Future Tax Secured debt issuances based on projected future market conditions. Such debt service estimates also include estimated payments pursuant to interest rate exchange agreements but do not reflect receipts pursuant to such agreements.

In July 2009, the State amended the New York City Transitional Finance Authority Act to expand the borrowing capacity of TFA by providing that it may have outstanding \$13.5 billion of Future Tax Secured Bonds and may issue additional Future Tax Secured Bonds provided that the amount of such additional bonds, together with the amount of indebtedness contracted by the City, does not exceed the debt limit of the City. In April of 2024, the New York City Transitional Finance Authority Act was amended to increase the total amount of TFA Future Tax Secured Bonds authorized to be outstanding and not subject to the City's debt limit by a total of \$14 billion, from \$13.5 billion to \$27.5 billion, with \$8 billion of such increased capacity available beginning on July 1, 2024, and the remaining \$6 billion available beginning on July 1, 2025. The Governor's Executive Budget includes a proposal to further increase the total amount of Future Tax Secured Bonds authorized to be outstanding and not subject to the City's debt limit by an additional \$3.0 billion beginning July 1, 2025, with such amount increasing to \$30.5 billion. The resulting impact of increasing the TFA's debt incurring capacity not subject to the City's debt limit would be to increase the combined TFA and City debt-incurring capacity by such corresponding amount.

The City currently expects to continue to finance approximately half of its capital program through the TFA, exclusive of Department of Environmental Protection capital budget items financed by the Water Authority.

The Financial Plan reflects general obligation debt service of \$4.4 billion, \$4.69 billion, \$4.91 billion, \$5.35 billion and \$5.79 billion in fiscal years 2025 through 2029, respectively, conduit debt service of \$112 million, \$111 million, \$109 million, \$104 million and \$113 million in fiscal years 2025 through 2029, respectively, and TFA debt service of \$3.34 billion, \$4.02 billion, \$4.55 billion, \$ 5.06 billion and \$5.5 billion in fiscal years 2025 through 2029, respectively, in each case prior to giving effect to prepayments. Such debt service requirements are projected to be below 15% of projected City tax revenues for each year of the Financial Plan.

Certain Reports

On March 5, 2025, the City Comptroller released "Comments on New York City's Preliminary Budget for Fiscal Year 2026 and Financial Plan for Fiscal Years 2025 - 2029." The report notes that the Financial Plan does not adequately address adverse actions of the Trump administration and underbudgets known costs by an average of \$3.75 billion annually in fiscal years 2026 through 2029, respectively, which misrepresents the size of the City's budget and understates its gaps.

The City Comptroller suggests adding \$1 billion to the general reserve fund in fiscal year 2026 to mitigate the effects of potential cuts to federal aid. In addition, the City Comptroller estimates that the City should deposit \$847 million into its rainy day fund (the Revenue Stabilization Fund) in fiscal year 2025 to help address the potential loss of tax revenues if a recession were to result from the Trump administration's economic policies.

The Governor's Executive Budget includes a proposal to change the amortization schedule for three of the City's five pension systems' unfunded accrued liabilities. This would extend the time it takes for the systems' obligations to

reach the status of fully funded from fiscal years 2032 to 2044. If adopted, the City Comptroller estimates the City's contributions would decrease in the short term and increase in the longer term, resulting in an estimated \$4.2 billion in cumulative savings over the Financial Plan, with a total decline in City contributions of \$8.6 billion in fiscal years 2025 through 2032 and an increase of \$13.8 billion in fiscal years 2033 through 2044. The City Comptroller believes this change to the City's pension system should be considered only as an emergency plan to counter harmful federal spending cuts. The report also notes that the Financial Plan does not include a Program to Eliminate the Gap. The City Comptroller continues to advocate that the City establish as part of the budget process a transparent policy of regular efficiency reviews and long-term savings planning.

The City Comptroller projects net re-estimates of \$637 million, \$3.46 billion, \$2.84 billion, \$3.31 billion and \$2.73 billion in fiscal years 2025 through 2029, respectively. When added to the results projected in the Financial Plan, the City Comptroller projects budget gaps of \$637 million, \$3.46 billion, \$7.01 billion, \$8.69 billion and \$7.81 billion in fiscal years 2025 through 2029, respectively. With the City Comptroller's proposed reserve fund deposits of \$847 million into the Revenue Stabilization Fund in fiscal year 2025 and \$1 billion into the general reserve fund in fiscal year 2026, the City Comptroller projects budget gaps of \$1.48 billion, \$4.46 billion, \$7.09 billion, \$8.69 billion and \$7.81 billion in fiscal years 2025 through 2029, respectively.

The City Comptroller's net revenue projections are higher than the Financial Plan projections by \$488 million, \$870 million, \$1.28 billion, \$2.23 billion and \$2.97 billion in fiscal years 2025 through 2029, respectively. The report projects that: (i) property tax revenues will be lower by \$94 million in fiscal year 2025 and higher by \$317 million, \$510 million, \$1.03 billion and \$1.64 billion in fiscal years 2026 through 2029, respectively; (ii) personal income tax revenues will be higher by \$377 million, \$312 million, \$141 million and \$248 million in fiscal years 2025, 2026, 2028 and 2029, respectively, and lower by \$4 million in fiscal year 2027; (iii) business tax revenues will be lower by \$65 million and \$210 million in fiscal years 2025 and 2026, respectively, and higher by \$264 million, \$483 million and \$222 million in fiscal years 2027 through 2029, respectively; (iv) sales tax revenues will be higher by \$6 million, \$65 million, \$91 million, \$124 million and \$379 million in fiscal years 2025 through 2029, respectively; (v) real estate transaction-related tax revenues will be higher by \$21 million, \$75 million, \$122 million, \$141 million and \$153 million in fiscal years 2025 through 2029, respectively; (vi) tax audit and all other tax revenue will be higher by \$216 million, \$246 million, \$278 million, \$301 million and \$317 million in fiscal years 2025 through 2029, respectively; and (vii) non-tax revenues will be higher by \$27 million, \$65 million in fiscal years 2025 and 2026, respectively, and \$15 million in each of fiscal years 2027 through 2029.

The City Comptroller's net expenditure projections are higher by \$1.12 billion, \$4.33 billion, \$4.12 billion, \$5.54 billion and \$5.70 billion in fiscal years 2025 through 2029, respectively (excluding proposed reserve fund deposits), as a result of: (i) additional overtime expenditures of \$1.09 billion and \$994 million in fiscal years 2025 and 2026, respectively, and \$750 million in each of fiscal years 2027 through 2029; (ii) increased expenditures for special education (Carter cases) of \$113 million and \$258 million in fiscal years 2025 and 2026, respectively, and \$188 million in each of fiscal years 2027 through 2029; (iii) increased expenditures associated with rental assistance of \$150 million in fiscal year 2025 and \$1.15 billion in each of fiscal years 2026 through 2029; (iv) increased costs of contributions to the MTA of \$298 million, \$478 million, \$539 million and \$532 million in fiscal years 2026 through 2029, respectively; (v) increased non-asylum seeker shelter costs of \$600 million in each of fiscal years 2026 through 2029; (vi) increased expenditures associated with paying prevailing wage rates for shelter security guards of \$50 million in each of fiscal years 2026 through 2029; (vii) increased public assistance costs of \$80 million, \$550 million and \$200 million in fiscal years 2025 through 2027, respectively; (viii) increased expenditures for DOE custodial costs of \$154 million in each of fiscal years 2026 through 2029; (ix) increased expenditures for DOE charter leases of \$40 million and \$35 million in fiscal years 2026 and 2027, respectively; (x) increased expenditures for DOE Pre-K and 3-K of \$203 million, \$316 million, \$296 million, \$295 million and \$295 million in fiscal years 2025 through 2029, respectively; (xi) increased expenditures resulting from fiscal cliffs resulting from the expiration of federal COVID-19 aid of \$43 million and \$244 in fiscal years 2025 and 2026, respectively, and \$355 million in each of fiscal years 2027 through 2029; (xii) increased expenditures associated with the State's foster care reimbursement rate of \$138 million in each of fiscal years 2026 through 2029; (xiii) increased expenditures for temporary and professional services of \$85 million, \$115 million, \$120 million and \$120 million in fiscal years 2026 through 2029, respectively; (xiv) increased expenditures for the City's Department of Education ("DOE") relating to the provision of early childhood special education services of \$55 million in each of fiscal years 2026 through 2029; (xv) increased expenditures for the DOE's school nurses of \$194 million in each of fiscal years 2026 through 2029; (xvi) increased expenditures relating to certain DOE orders of \$52 million in each of fiscal years 2027 through 2029; (xvii) increased expenditures

of \$612 million in fiscal year 2025 related to reimbursement from the Health Insurance Stabilization Fund; (xviii) increased expenditures of \$25 million in each of fiscal years 2026 through 2029 for the City's "Promise NYC" child care services program; (xix) anticipated full-time personnel service accrual savings due to vacancies of \$400 million in fiscal year 2025; and (xx) adjustments due to changes in prior year payable amounts resulting in savings of \$296 million in fiscal year 2025 and \$400 million in each of fiscal years 2026 through 2029. The City Comptroller also estimates longer term net expenditure risks/offsets associated with asylum seeker expenses and the unfunded State class size mandate. Such estimates include (i) decreased costs of providing services to asylum seekers of \$472 million, \$589 million and \$1.01 billion in fiscal years 2025 through 2027, respectively, and increased costs of providing such services of \$38 million and \$27 million in fiscal years 2028 and 2029, respectively; and (ii) increased expenditures resulting from the State class size mandate of \$168 million, \$687 million, \$1.24 billion and \$1.42 billion in fiscal years 2026 through 2029, respectively.

On February 28, 2025, the OSDC released "Review of the Financial Plan of the City of New York", commenting on the Financial Plan. The report notes that the City increased its expectations for its fiscal year 2025 surplus to \$2.34 billion which will help balance the \$116.9 billion fiscal year 2026 budget. Improved fiscal conditions are mainly the result of stronger tax revenue projections and reduced costs of providing services to asylum seekers. OSDC advises that the City provide greater transparency on its funding and spending, strengthen budgetary flexibility to respond to unpredictable federal fiscal and economic policy choices, and prepare for scenarios where all of the City's resources, federal, State and locally-derived, may be impacted.

The OSDC report identifies net risks to the Financial Plan of \$1.15 billion, \$2.58 billion, \$3.36 billion, \$4.94 billion and \$4.82 billion in fiscal years 2025 through 2029, respectively. Combined with the results projected in the Financial Plan, OSDC estimates potential budget gaps of \$1.16 billion, \$2.58 billion, \$7.60 billion, \$10.32 billion and \$9.90 billion in fiscal years 2025 through 2029, respectively.

The specific risks to the Financial Plan noted in the OSDC report include: (i) increased costs of operating subsidies to the MTA of \$298 million, \$479 million, \$539 million and \$539 million in fiscal years 2026 through 2029, respectively; (ii) increased expenditures for various social services (including those associated with programs providing prevailing wages for Department of Homeless Services security guards, foster care, emergency family and rental assistance and access to legal counsel in housing court) of \$295 million, \$2.19 billion, \$2.38 billion, \$2.43 billion and \$2.44 billion in fiscal years 2025 through 2029, respectively; (iii) increased uniform services overtime costs of \$784 million, \$837 million, \$828 million, \$831 million and \$830 million in fiscal years 2025 through 2029, respectively; (iv) increased expenditures for programs associated with the DOE (such as providing services to students with disabilities, increases in charter school tuition rates, universal early childhood education for three-year-olds and certain other education initiatives) of \$155 million, \$1.13 billion, \$1.77 billion, \$2.37 billion and \$2.41 billion in fiscal years 2025 through 2029, respectively; (v) increased expenditures related to the early childhood intervention program of \$65 million in fiscal year 2026 and \$76 million in each of fiscal years 2027 through 2029; (vi) increased expenditures to fund school health programs of \$36 million in each of fiscal years 2026 through 2029; (vii) increased expenditures for Department of Health and Mental Hygiene school nurses of \$60 million in each of fiscal years 2026 through 2029; (viii) increased expenditures for supportive housing of \$64 million in each of fiscal years 2026 through 2029; (ix) increased expenditures to fund the Department of Youth and Community Development Summer Rising program of \$20 million in each of fiscal years 2027 through 2029; (x) increased expenditures of \$587 million in fiscal year 2025 and \$112 million in each of fiscal years 2026 through 2029, relating to reimbursement from the Health Insurance Stabilization Fund; and (xi) decreased expenditures for residual services for asylum seekers of \$1.13 billion, \$1.20 billion and \$98 million in fiscal years 2026 through 2028, respectively, and increased expenditures for such services of \$57 million in fiscal year 2029.

The OSDC report also identifies (i) debt refunding savings of \$6 million in fiscal year 2025 and \$27 million in each of fiscal years 2026 through 2029; (ii) variable rate debt service savings of \$75 million in fiscal year 2025; (iii) increased tax revenues of \$160 million, \$1.05 billion, \$1.24 billion, \$1.47 billion and \$1.79 billion in fiscal years 2025 through 2029, respectively; (iv) payroll savings of \$325 million in fiscal year 2025; and (v) increased miscellaneous revenues of \$100 million in fiscal year 2025.

On March 4, 2025, the Control Board released its staff report, "FY 2025 January Modification and Financial Plan." The report notes that the City's economy continues to improve at a slow-to-moderate pace with a mixed set of macroeconomic indicators: record high labor force participation and employment population ratio; unemployment

insurance claims well below historical averages; robust recovery of tourism; and initial signs of improvement in commercial real estate. The Control Board believes the City will encounter significant headwinds and potential strain on resources from Trump administration fiscal and immigration policies. The report also suggests, in connection with capital planning and spending, that it would be prudent for the City to create a comprehensive approach to determine the practicable level of all of its capital commitments.

The Control Board report identified an offset of \$1 million in fiscal year 2025 and net risks of \$853 million, \$1.51 billion, \$1.98 billion and \$2.05 billion in fiscal years 2026 through 2029, respectively, resulting in a projected budget surplus of \$1 million in fiscal year 2025 and budget gaps of \$853 million, \$5.75 billion, \$7.36 billion and \$7.13 billion in fiscal years 2026 through 2029, respectively. Such net risks result from: (i) decreased expenditures resulting from higher reimbursements for paratransit costs of \$22 million in fiscal year 2025 and increased expenditures resulting from lower reimbursements for paratransit costs of \$138 million, \$163 million, \$185 million and \$209 million in fiscal years 2026 through 2029, respectively; (ii) increased expenditures for MTA Bus operations of \$13 million, \$101 million, \$227 million, \$275 million and \$283 million in fiscal years 2025 through 2029, respectively; (iii) increases in uniformed services overtime expenses of \$723 million, \$812 million, \$804 million, \$808 million and \$808 million in fiscal years 2025 through 2029, respectively; (iv) increased expenditures associated with the State's foster care reimbursement rate of \$139 million in each of fiscal years 2026 through 2029; (v) decreased expenditures associated with providing services to students with disabilities (Carter cases) of \$321 million in fiscal year 2025 and increased expenditures of \$99 million, \$29 million, \$29 million and \$188 million in fiscal years 2026 through 2029; (vi) increased expenditures associated with the State class size mandate of \$633 million, \$1.27 billion, \$1.9 billion and \$1.9 billion in fiscal years 2026 through 2029, respectively; (vii) increased expenditures associated with State Foundation aid of \$5 million in fiscal year 2025 and decreased expenditures relating to such aid of \$588 million in fiscal year 2026; and (viii) increased expenditures for school nurse contractual services of \$129 million in each of fiscal years 2026 through 2029. The report also identifies (i) increases in property tax revenues of \$59 million, \$378 million, \$443 million, \$703 million and \$1.37 billion in fiscal years 2025 through 2029, respectively; and (ii) increases in non-property tax revenues of \$340 million, \$232 million, \$809 million, \$787 million and \$238 million in fiscal years 2025 through 2029, respectively.

Long-Term Capital Program

The City makes substantial capital expenditures to reconstruct, rehabilitate and expand the City's infrastructure and physical assets, including City mass transit facilities, water and sewer facilities, streets, bridges and tunnels, and to make capital investments that will improve productivity in City operations.

The City utilizes a three-tiered capital planning process consisting of the Ten-Year Capital Strategy, the four-year capital plan and the current-year Capital Budget. The Ten-Year Capital Strategy, which is published once every two years in conjunction with the Executive Budget as required by the City Charter, is a long-term planning tool designed to reflect fundamental allocation choices and basic policy objectives. The four-year capital plan, which is updated three times a year, as required by the City Charter, translates mid-range policy goals into specific projects. The Capital Budget defines for each fiscal year specific projects and the timing of their initiation, design, construction and completion. On January 16, 2025, the City released the five-year capital commitment plan for fiscal years 2025 through 2029 (the "2025-2029 Capital Commitment Plan"). The information contained below reflects the 2025-2029 Capital Commitment Plan.

City-funded commitments, which were \$344 million in fiscal year 1979, are projected to reach \$18.1 billion in fiscal year 2025. City-funded expenditures are forecast at \$13.8 billion in fiscal year 2025; total expenditures are forecast at \$14.7 billion in fiscal year 2025. For additional information concerning the City's capital expenditures and the Preliminary Ten-Year Capital Strategy covering fiscal years 2025 through 2035, see "SECTION V: CITY SERVICES AND EXPENDITURES—Capital Expenditures."

See "SECTION I: INTRODUCTORY STATEMENT" and "SECTION VIII: INDEBTEDNESS—Indebtedness of the City and Certain Other Entities—*Limitations on the City's Authority to Contract Indebtedness.*"

The following table sets forth the major areas of capital commitment projected in the 2025-2029 Capital Commitment Plan.

	2025-2029 CAPITAL COMMITMENT PLAN											
	2025		2026		2027		2028		2029		TOTALS	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
	(In Millions)											
Mass Transit ⁽¹⁾	\$ 330	\$ 374	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 490	\$ 534
Roadway, Bridges	1,240	1,560	2,398	2,649	1,968	2,069	3,008	3,313	2,768	2,927	11,382	12,518
Environmental Protection ⁽²⁾	3,277	3,393	3,750	3,929	3,735	3,809	3,813	3,813	5,060	5,096	19,635	20,039
Education	4,575	4,697	4,000	4,000	4,000	4,000	4,000	4,000	3,400	3,400	19,975	20,097
Housing	3,521	3,561	3,228	3,268	1,880	1,920	1,943	1,983	1,958	1,998	12,530	12,730
Sanitation	394	399	283	296	309	309	249	249	594	594	1,829	1,847
City Operations/ Facilities	9,216	9,783	9,095	9,843	6,933	7,245	7,878	8,095	6,560	6,579	39,681	41,545
Economic Development ..	731	908	715	778	663	684	625	630	861	875	3,595	\$3,876
Subtotal Commitments ...	23,285	24,675	23,508	24,803	19,529	20,076	21,556	22,124	21,241	21,510	109,118	113,187
Reserve for Unattained Commitments	(5,202)	(5,202)	(3,534)	(3,534)	(1,157)	(1,157)	(1,114)	(1,114)	(280)	(280)	(11,286)	(11,286)
Total Commitments ⁽³⁾	<u>\$18,083</u>	<u>\$19,473</u>	<u>\$19,974</u>	<u>\$21,269</u>	<u>\$18,372</u>	<u>\$18,919</u>	<u>\$20,442</u>	<u>\$21,010</u>	<u>\$20,961</u>	<u>\$21,230</u>	<u>\$97,832</u>	<u>\$101,901</u>
Total Expenditures ⁽⁴⁾	<u>\$13,762</u>	<u>\$14,716</u>	<u>\$15,370</u>	<u>\$16,489</u>	<u>\$16,955</u>	<u>\$17,945</u>	<u>\$17,864</u>	<u>\$18,760</u>	<u>\$18,889</u>	<u>\$19,726</u>	<u>\$82,840</u>	<u>\$87,636</u>

Note: Individual items may not add to totals due to rounding.

(1) Excludes NYCT's non-City portion of the MTA capital program.

(2) Includes water supply, water mains, water pollution control, sewer projects and related equipment.

(3) Commitments represent contracts registered with the City Comptroller, except for certain projects which are undertaken jointly by the City and State.

(4) Expenditures represent cash payments and appropriations planned to be expended for capital costs, excluding amounts for original issue discount.

Currently, if all City capital projects were implemented, expenditures would exceed the City's financing projections in the current fiscal year and subsequent years. The City has therefore established capital budgeting priorities to maintain capital expenditures within the available long-term financing. Due to the size and complexity of the City's capital program, it is difficult to forecast precisely the timing of capital project activity and therefore actual capital expenditures may vary from the planned annual amounts.

The Preliminary Ten-Year Capital Strategy reflects approximately \$1.7 billion for reconstruction work on the Brooklyn Queens Expressway, including the Triple Cantilever. The ultimate cost and scope of such reconstruction will be determined through a community-driven design process and are uncertain at this time, but costs could be significantly higher than currently provided in the City's capital plan.

The City's Department of Housing Preservation and Development ("HPD") promotes the quality and affordability of the City's housing and the strength and diversity of its many neighborhoods. The HPD capital plan is structured to meet the goals of Housing Our Neighbors: A Blueprint for Housing and Homelessness. The plan outlines key initiatives to achieve the City's goal of providing access to affordable, high-quality housing for all New Yorkers. The Preliminary Ten-Year Capital Strategy includes \$20.3 billion to support the goals of the plan.

In October 2024, the City issued an Asset Information Management System Report (the "AIMS Report"), which is its annual assessment of the asset condition and a proposed maintenance schedule for its assets and asset systems which have a replacement cost of \$10 million or more and a useful life of at least ten years, as required by the City Charter. This report does not reflect any policy considerations which could affect the appropriate amount of investment, such as whether there is a continuing need for a particular facility or whether there have been changes in the use of a facility. The AIMS Report estimated that \$19.65 billion in capital investment would be needed for fiscal years 2026 through 2029 to bring the assets to a state of good repair. The report also estimated that \$813 million, \$312 million, \$359 million and \$360 million should be spent on maintenance in fiscal years 2026 through 2029, respectively.

The recommended capital investment for each inventoried asset is not readily comparable to the capital spending allocated by the City in the 2025-2029 Capital Commitment Plan and the Preliminary Ten-Year Capital Strategy. Only a portion of the funding set forth in the 2025-2029 Capital Commitment Plan is allocated to specifically identified

assets, and funding in the subsequent years of the Ten-Year Capital Strategy is even less identifiable with individual assets. Therefore, there is a substantial difference between the amount of investment recommended in the report for all inventoried City assets and amounts allocated to the specifically identified inventoried assets in the 2024-2028 Capital Commitment Plan. The City also issues an annual report (the “Reconciliation Report”) that compares the recommended capital investment with the capital spending allocated by the City in the four-year capital plan to the specifically identified inventoried assets.

The most recent Reconciliation Report, issued in October 2024, concluded that the capital investment in the four-year executive budget for fiscal years 2025 through 2028, released on April 24 2024, for the specifically identified inventoried assets, funded 49% of the total investment recommended in the preceding AIMS Report issued in October 2023. Capital investment allocated in the Preliminary Ten-Year Capital Strategy funded an additional portion of the recommended investment. In the same Reconciliation Report, OMB estimated that 49% of the expense maintenance levels recommended were included in the financial plan.

Financing Program

The following table sets forth the amount of bonds issued and expected to be issued during the 2025 through 2029 fiscal years (as set forth in the Financial Plan) to implement the 2025-2029 Capital Commitment Plan. See “SECTION VIII: INDEBTEDNESS—Indebtedness of the City and Certain Other Entities.” From time to time, the City and its related issuers also issue bonds to refinance existing debt for economic savings. Such refunding bonds are not included in the following table.

2025-2029 FINANCING PROGRAM

	2025	2026	2027	2028	2029	Total
	(In Millions)					
City General Obligation Bonds.....	\$ 6,900	\$ 6,260	\$ 7,030	\$ 7,430	\$ 7,790	\$ 35,410
TFA Future Tax Secured Bonds	6,900	6,260	7,030	7,430	7,790	35,410
Water Authority Bonds	1,727	2,513	2,573	2,690	2,964	12,467
Total	<u>\$ 15,527</u>	<u>\$ 15,033</u>	<u>\$ 16,633</u>	<u>\$ 17,550</u>	<u>\$ 18,544</u>	<u>\$ 83,287</u>

Note: Totals may not add due to rounding.

The City’s financing program includes the issuance of water and sewer revenue bonds by the Water Authority which is authorized to issue bonds to finance capital investment in the City’s water and sewer system. Pursuant to State law, debt service on Water Authority indebtedness is secured by water and sewer fees paid by users of the water and sewer system. Such fees are revenues of the Water Board, which holds a lease interest in the City’s water and sewer system. After providing for debt service on obligations of the Water Authority and certain incidental costs, the revenues of the Water Board are paid to the City to cover the City’s costs of operating the water and sewer system and as rental for the system. In fiscal years 2019, 2022 and 2023, the City did not request the rental payment due to the City from the Water Board. In fiscal years 2020 and 2021, on account of the outbreak of COVID-19, the City requested rental payments of \$128 million and \$137 million, respectively. The Financial Plan reflects rental payment requests of \$289 million in fiscal year 2025, \$303 million in fiscal year 2026, \$315 million in fiscal year 2027, \$363 million in fiscal year 2028 and \$393 million in fiscal year 2029. The City’s Preliminary Ten-Year Capital Strategy applicable to the City’s water and sewer system covering fiscal years 2026 through 2035 projects City-funded water and sewer investment (which is expected to be financed with proceeds of Water Authority debt) at approximately \$33.3 billion. The 2025-2029 Capital Commitment Plan reflects total anticipated City-funded water and sewer commitments of \$11.37 billion which are expected to be financed with the proceeds of Water Authority debt.

The TFA is authorized to have outstanding \$21.5 billion of Future Tax Secured Bonds with such amount increasing to \$27.5 billion as of July 1, 2025. The TFA may have outstanding Future Tax Secured Bonds in excess of \$21.5 billion provided that the amount of the Future Tax Secured Bonds, together with the amount of indebtedness contracted by the City, do not exceed the debt limit of the City, with such amount increasing to \$27.5 billion as of July 1, 2025. The Governor’s Executive Budget includes a proposal to further increase the total amount of Future Tax Secured Bonds authorized to be outstanding and not subject to the City’s debt limit by an additional \$3.0 billion

beginning July 1, 2025, with such amount increasing to \$30.5 billion. Future Tax Secured Bonds are issued for general City capital purposes and are secured by the City's personal income tax revenues and, to the extent such revenues do not satisfy specified debt ratios, sales tax revenues.

In addition, the TFA is authorized to have outstanding \$9.4 billion of Building Aid Revenue Bonds to pay for a portion of the City's five-year educational facilities capital plan. Building Aid Revenue Bonds are secured by State building aid, which the Mayor has assigned to the TFA.

Implementation of the financing program is dependent upon the ability of the City and other financing entities to market their securities successfully in the public credit markets which will be subject to prevailing market conditions at the times of sale. No assurance can be given that the credit markets will absorb the projected amounts of public bond sales. A significant portion of bond financing is used to reimburse the City's General Fund for capital expenditures already incurred. If the City and such other entities are unable to sell such amounts of bonds, it would have an adverse effect on the City's cash position. In addition, the need of the City to fund future debt service costs from current operations may also limit the City's capital program. The Preliminary Ten-Year Capital Strategy for fiscal years 2026 through 2035 totals \$170 billion, of which approximately 97.8% is to be financed with funds borrowed by the City and such other entities. See "SECTION I: INTRODUCTORY STATEMENT" and "SECTION VIII: INDEBTEDNESS—Indebtedness of the City and Certain Other Entities—*Limitations on the City's Authority to Contract Indebtedness.*" Congressional developments affecting federal taxation generally could reduce the market value of tax-favored investments and increase the debt-service costs of carrying out the major portion of the City's capital plan which is currently eligible for tax-exempt financing.

Interest Rate Exchange Agreements

In an effort to manage its borrowing costs over the life of its bonds, the City began entering into interest rate exchange agreements commencing in fiscal year 2003. For a description of such agreements, see "Appendix B—Annual Comprehensive Financial Report—Notes to Financial Statements—Note A.12." As of December 31, 2024, the notional amount of the City's interest rate exchange agreement was \$20,375,000 and the total marked-to-market value of such agreement was (\$376,620). On March 5, 2021, ICE Benchmark Administration Limited and the Financial Conduct Authority announced that the LIBOR cessation date for most USD LIBOR tenors, including one-month LIBOR, would be June 30, 2023. On July 1, 2023, the City's interest rate exchange agreement converted from a LIBOR-based percentage to a SOFR-based percentage.

In addition, in connection with its Courts Facilities Lease Revenue Bonds (The City of New York Issue) Series 2005A and B, the Dormitory Authority of the State of New York ("DASNY") entered into interest rate exchange agreements with Goldman Sachs Mitsui Marine Derivative Products, L.P. and JPMorgan Chase Bank, National Association. The City is obligated, subject to appropriation, to make lease payments to DASNY reflecting DASNY's obligations under these interest rate exchange agreements. Under such agreements, as amended to have them adhere to the provisions of the IBOR Fallbacks Protocol, with a notional amount of \$125,500,000, an effective date of June 15, 2005, and a termination date of May 15, 2039, DASNY pays a fixed rate of 3.017% and receives payments based on a SOFR-based percentage. As of December 31, 2024, the total marked-to-market value of the DASNY agreements was (\$4,028,488).

Seasonal Financing Requirements

The City since 1981 has fully satisfied its seasonal financing needs, when necessary, in the public credit markets, repaying all short-term obligations within their fiscal year of issuance. The City has not issued short-term obligations to finance projected cash flow needs since fiscal year 2004. The City regularly reviews its cash position and the need for short-term borrowing. The Financial Plan does not reflect the issuance of short-term obligations.

SECTION VIII: INDEBTEDNESS

Indebtedness of the City and Certain Other Entities

Outstanding City and PBC Indebtedness

The following table sets forth outstanding City and PBC indebtedness as of December 31, 2024. “City indebtedness” refers to general obligation debt of the City, net of reserves. “PBC indebtedness” refers to obligations of the City, net of reserves, to the following PBCs: the New York City Educational Construction Fund (“ECF”), and DASNY (for health facilities, court facilities and CUCF as described below). PBC indebtedness is not debt of the City. However, the City has entered into agreements to make payments, subject to appropriation, to PBCs to be used for debt service on certain obligations constituting PBC indebtedness. Neither City indebtedness nor PBC indebtedness includes outstanding debt of the TFA or TSASC, which are not obligations of, and are not paid by, the City; nor does such indebtedness include obligations of the Hudson Yards Infrastructure Corporation (“HYIC”), for which the City has agreed to pay, as needed and subject to appropriation, interest on but not principal of such obligations.

	(In Thousands)
Gross City Long-Term Indebtedness.....	\$ 43,009,557
Less: Assets Held for Debt Service ⁽¹⁾	(244,836)
Net City Long-Term Indebtedness	\$ 42,764,722
PBC Indebtedness.....	
Bonds Payable	282,648
Capital Lease Obligations	524,450
Gross PBC Indebtedness.....	807,098
Less: Assets Held for Debt Service	(114,608)
Net PBC Indebtedness	692,489
Combined Net City and PBC Indebtedness	<u>\$ 43,457,211</u>

⁽¹⁾ Assets Held for Debt Service consists of General Debt Service Fund assets.

Trend in Outstanding Net City and PBC Indebtedness

The following table shows the trend in the outstanding net City and PBC indebtedness as of June 30 of each of the fiscal years 2015 through 2024 and as of December 31, 2024.

	City Indebtedness		PBC	
	Long-Term	Short-Term	Indebtedness⁽¹⁾	Total
	(In Millions)			
2015	\$ 38,497	—	\$ 1,261	\$ 39,758
2016	36,147	—	1,236	37,383
2017	36,324	—	1,182	37,506
2018	36,725	—	1,155	37,880
2019	35,817	—	997	36,813
2020	37,515	—	935	38,450
2021	35,574	—	977	36,552
2022	35,527	—	866	36,393
2023	37,281	—	824	38,105
2024	39,747	—	757	40,504
December 31, 2024	42,765	—	692	43,457

Footnote from previous page

⁽¹⁾ Includes obligations of New York State Urban Development Corporation through June 30, 2016.

Rapidity of Principal Retirement

The following table details, as of December 31, 2024, the cumulative percentage of total City indebtedness that is scheduled to be retired in accordance with its terms in each prospective five-year period.

Period	Cumulative Percentage of Debt Scheduled for Retirement
5 years	22.13%
10 years	44.38
15 years	63.79
20 years	79.97
25 years	91.99
30 years	100.00

City and PBC Debt Service Requirements

The following table summarizes future debt service requirements, as of December 31, 2024, on City and PBC indebtedness.

Fiscal Years	City Long-Term Debt		PBC		Total
	Principal	Interest	Indebtedness	Interest	
	(In Thousands)				
2025	\$244,836	\$1,016,648	\$62,493	\$18,305	\$1,342,282
2026	2,416,866	1,963,209	65,215	34,412	4,479,702
2027	2,294,076	1,856,901	66,835	31,162	4,248,974
2028 through 2147	38,053,779	20,097,889	612,555	194,816	58,959,039
Total.....	<u>\$43,009,557</u>	<u>\$24,934,647</u>	<u>\$807,098</u>	<u>\$278,695</u>	<u>\$69,029,997</u>

Certain Debt Ratios

The following table sets forth the approximate ratio of City net general obligation bonded debt to assessed taxable property value as of June 30 of each of the fiscal years 2015 through 2024.

Fiscal Year	City General Obligation Bonded Debt⁽¹⁾	Debt Service Restricted Cash⁽²⁾	City General Obligation Bonded Debt Net of Debt Service Restricted Cash	City Net General Obligation Bonded Debt as a Percentage of Assessed Taxable Value of Property	Per Capita⁽³⁾
	(In Millions)	(In Millions)	(In Millions)		
2015.....	\$ 40,460	\$ 1,970	\$ 38,490	18.97%	\$ 4,406
2016.....	38,073	1,775	36,298	16.68	4,127
2017.....	37,891	1,583	36,308	15.48	4,118
2018.....	38,628	1,922	36,706	14.60	4,159
2019.....	37,519	1,727	35,792	13.37	4,057
2020.....	38,784	1,277	37,507	13.35	4,275
2021.....	38,574	3,005	35,569	12.21	4,201
2022.....	38,845	3,332	35,513	13.66	4,260
2023.....	40,093	2,835	37,258	13.12	4,470
2024.....	41,701	1,971	39,730	13.25	4,811

Footnotes from previous page

Sources: Annual Report for the fiscal year ended June 30, 2024; New York City Comptroller's Office.

- (1) General Obligation Bonded Debt is presented at par value and does not reflect GASB 44 reporting methodology netting premium and discount. See Notes to Financial Statements (Note D.5) "Changes in Long Term Liabilities".
- (2) Primarily comprised of restricted cash and investments held in the General Debt Service Fund.
- (3) Based on full valuations for each fiscal year derived from the application of the special equalization ratio reported by the State Office of Real Property Tax Services for such fiscal year.

Indebtedness of the City and Related Issuers

The following table sets forth obligations of the City and other issuers as of June 30 of each of the fiscal years 2015 through 2024. General obligation bonds are debt of the City. Although IDA Stock Exchange bonds and PBC indebtedness are not debt of the City, the City has entered into agreements to make payments, subject to appropriation, to the respective issuers to be used for debt service on the indebtedness included in the following table. ECF bonds are also not debt of the City. ECF bonds are expected to be paid from revenues of ECF, provided, however, that if such revenues are insufficient, the City has agreed to make payments, subject to appropriation, to ECF for debt service on its bonds. Indebtedness of the TFA and TSASC does not constitute debt of, and is not paid by, the City.

(In Millions)							
Fiscal Year	General Obligation Bonds	ECF	TFA	TSASC	HYIC	Lease Obligations ⁽¹⁾	IDA Stock Exchange
2015.....	\$ 40,460	\$ 264	\$ 33,850	\$ 1,222	\$ 3,000	\$ 1,639	\$ 87
2016.....	38,073	240	37,358	1,145	3,000	1,571	84
2017.....	37,891	236	40,696	1,089	2,751	1,549	80
2018.....	38,628	231	43,355	1,071	2,724	1,659	77
2019.....	37,519	218	46,624	1,053	2,724	1,553	62
2020.....	38,784	213	48,978	1,023	2,724	1,547	60
2021.....	38,574	302	49,957	993	2,677	1,599	57
2022.....	38,845	297	51,820	966	2,557	14,611	54
2023.....	40,093	290	53,506	938	2,519	13,539	52
2024.....	41,701	282	57,618	909	2,552	13,259	47

Source: Annual Report for the fiscal year ended June 30, 2024.

- (1) Lease Obligations includes approximately \$576 million and \$524 million for fiscal years 2023 and 2024, respectively, for leases with PBCs and approximately \$13 billion for fiscal years 2023 and 2024, respectively, for leases for various city agencies in accordance with GASB 87, which the City implemented in the fiscal year ended June 30, 2022. The implementation of GASB 87 resulted in the re-characterization of certain contracts that meet GASB 87's definition of a lease as long-term liabilities. The total lease obligation comprises these re-characterized contracts and any contracts previously recorded as capital leases that continue to meet the definition of a lease under GASB 87.

As of December 31, 2024, approximately \$43.01 billion of City general obligation bonds were outstanding. For information regarding the City's variable rate bonds, see EXHIBIT C hereto.

As of December 31, 2024, HYIC has outstanding approximately \$2.5 billion aggregate principal amount of bonds. In addition, HYIC has entered into a term loan facility with Bank of America, N.A. pursuant to which HYIC may draw up to an aggregate amount of \$380 million, approximately \$94.7 million of which has been drawn as of December 31, 2024. The term loan facility has a scheduled maturity of June 30, 2027. HYIC expects to issue bonds to repay such term loan facility or further extend the maturity date prior to the scheduled maturity. The bonds financed the extension of the Number 7 subway line and other public improvements in the Hudson Yards area, and the term loan will be used to finance any remaining costs of completion of the original project and the expansion of the park in the Hudson Yards area. HYIC's bonds and, on a subordinate basis, draws under the term loan facility are secured by and payable from payments in lieu of taxes and other revenues generated by development in the Hudson Yards area. To the extent payments in lieu of taxes and other HYIC revenues are insufficient to pay interest on the HYIC bonds or the term loan, the City has agreed to pay the amount of any shortfall in interest, subject to appropriation. No such payments have been required since fiscal year 2015. The City has no obligation to pay the principal of such bonds or of such term loan.

Certain Provisions for the Payment of City Indebtedness

The State Constitution requires the City to make an annual appropriation for: (i) payment of interest on all City indebtedness; (ii) redemption or amortization of bonds; and (iii) redemption of short-term indebtedness issued in anticipation of the collection of taxes or other revenues, such as tax anticipation notes (“TANs”) and revenue anticipation notes (“RANs”) which (with permitted renewals thereof) are not retired within five years of the date of original issue. If this appropriation is not made, a sum sufficient for such purposes must be set apart from the first revenues thereafter received by the City and must be applied for these purposes.

The City’s debt service appropriation would provide for the interest on, but not the principal of, short-term indebtedness, if any. If such principal were not provided for from the anticipated sources, it would be, like debt service on City bonds, a general obligation of the City.

Pursuant to the Financial Emergency Act, the General Debt Service Fund has been established for the purpose of paying Monthly Debt Service, as defined in the Act. In addition, as required under the Act, accounts have been established by the State Comptroller within the Fund to pay the principal of City TANs and RANs when outstanding. For the expiration date of the Financial Emergency Act, see “SECTION III: GOVERNMENT AND FINANCIAL CONTROLS—City Financial Management, Budgeting and Controls—*The Financial Plan, the Financial Emergency Act and the City Charter.*”

Limitations on the City’s Authority to Contract Indebtedness

The Financial Emergency Act imposes various limitations on the issuance of City indebtedness. No TANs may be issued by the City which would cause the principal amount of such issue of TANs to exceed 90% of the “available tax levy,” as defined in the Act, with respect to such issue; TANs and renewals thereof must mature not later than the last day of the fiscal year in which they were issued. No RANs may be issued by the City which would cause the principal amount of RANs outstanding to exceed 90% of the “available revenues,” as defined in the Act, for that fiscal year; RANs must mature not later than the last day of the fiscal year in which they were issued; and in no event may renewals of RANs mature later than one year subsequent to the last day of the fiscal year in which such RANs were originally issued. No bond anticipation notes (“BANs”) may be issued by the City in any fiscal year which would cause the principal amount of BANs outstanding, together with interest due or to become due thereon, to exceed 50% of the principal amount of bonds issued by the City in the twelve months immediately preceding the month in which such BANs are to be issued.

The State Constitution provides that, with certain exceptions, the City may not contract indebtedness, including contracts for capital projects to be paid with the proceeds of City bonds (“contracts for capital projects”), in an amount greater than 10% of the average full value of taxable real estate in the City for the most recent five years (the “general debt limit”). See “SECTION IV: SOURCES OF CITY REVENUES—Real Estate Tax—*Assessment.*” Certain indebtedness (“excluded debt”) is excluded in ascertaining the City’s authority to contract indebtedness within the constitutional limit. TANs, RANs and BANs, and long-term indebtedness issued for specified purposes are considered excluded debt. The City’s authority for variable rate bonds is currently limited, with statutory exceptions, to 25% of the general debt limit. The State Constitution also provides that, subject to legislative implementation, the City may contract indebtedness for low-rent housing, nursing homes for persons of low income and urban renewal purposes in an amount not to exceed 2% of the average assessed valuation of the taxable real estate of the City for the most recent five years (the “2% debt limit”). Excluded from the 2% debt limit, after approval by the State Comptroller, is indebtedness for certain self-supporting programs aided by City guarantees or loans.

Water Authority and TSASC indebtedness and the City’s commitments with other PBCs or related issuers are not chargeable against the City’s constitutional debt limit. The TFA and TSASC were created to provide financing for the City’s capital program. As of December 31, 2024, TSASC has approximately \$909 million of bonds outstanding that are payable from TSRs. The TFA is permitted to have outstanding \$21.5 billion of Future Tax Secured Bonds and the TFA may have outstanding Future Tax Secured Bonds in excess of \$21.5 billion, provided that the amount of such additional Future Tax Secured Bonds, together with the amount of indebtedness contracted by the City, do not exceed the debt limit of the City, with such amount increasing to \$27.5 billion beginning July 1, 2025. Future Tax Secured Bonds are secured by the City’s personal income tax revenues and sales tax revenues, if personal income tax revenues do not satisfy specified debt ratios. The TFA, as of December 31, 2024, has outstanding approximately \$52 billion of

Future Tax Secured Bonds, without regard to sinking fund deposits for Qualified School Construction Bonds. The TFA is authorized to have outstanding \$9.4 billion of Building Aid Revenue Bonds, which are secured by State building aid and are not chargeable against the City’s constitutional debt limit. For information on the TFA’s debt-incurring capacity, see “SECTION VII: FINANCIAL PLAN—Assumptions—*Expenditure Assumptions*—3. GENERAL OBLIGATION, LEASE AND TFA DEBT SERVICE.”

The following table sets forth the calculation of debt-incurring power as of February 28, 2025.

	As of February 28, 2025	
	(In Thousands)	
Total City Debt-Incurring Power under General Debt Limit		\$136,754,913
Gross Debt-Funded ⁽¹⁾	\$42,904,353	
Less: Excluded Debt	(79,260)	
	42,825,093	
Less: Appropriations for Payment of Principal	(235,670)	
	42,589,423	
Contracts and Other Liabilities, Net of Prior Financings Thereof	28,639,357	
Less: Total City Indebtedness.....		(71,228,780)
Less: TFA Debt Outstanding above \$21.5 billion ⁽²⁾		(31,286,680)
Debt-Incurring Power		<u>\$34,239,453</u>

Note: Numbers may not add due to rounding.

- (1) Debt issued at an original issue discount is reflected at the discounted amount rather than the par amount.
- (2) In April of 2024, the New York City Transitional Finance Authority Act was amended to increase the total amount of TFA Future Tax Secured Bonds authorized to be outstanding and not subject to the City’s debt limit by a total of \$14 billion, from \$13.5 billion to \$27.5 billion, with \$8 billion of such increased capacity available beginning on July 1, 2024, and the remaining \$6 billion available beginning on July 1, 2025.

Federal Bankruptcy Code

Under the Federal Bankruptcy Code, a petition may be filed in the federal bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. The filing of such a petition would operate as a stay of any proceeding to enforce a claim against the City. Under such circumstances, the Federal Bankruptcy Code requires the municipality to file a plan for the adjustment of its debts, which may modify or alter the rights of creditors and may provide for the municipality to issue indebtedness, which could have priority over existing creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite majority of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it. Pursuant to authorization by the State, each of the City and the Control Board, acting on behalf of the City pursuant to the Financial Emergency Act, has the legal capacity to file a petition under the Federal Bankruptcy Code. For the expiration date of the Financial Emergency Act, see “SECTION III: GOVERNMENT AND FINANCIAL CONTROLS—City Financial Management, Budgeting and Controls—*The Financial Plan, the Financial Emergency Act and the City Charter*.”

Public Benefit Corporation Indebtedness

City Financial Commitments to PBCs

PBCs are corporate governmental agencies created by or under State law to finance and operate projects of a governmental nature or to provide governmental services. Generally, PBCs issue bonds and notes to finance construction of housing, hospitals, dormitories and other facilities and receive revenues from the collection of fees, charges or rentals for the use of their facilities, including subsidies and other payments from the governmental entity whose residents have benefited from the services and facilities provided by the PBC. These bonds and notes do not constitute debt of the City.

The City has undertaken various types of financial commitments with certain PBCs which, although they do not represent City indebtedness, have a similar budgetary effect. The principal forms of the City's financial commitments with respect to PBC debt obligations are as follows:

1. *Capital Lease Obligations*—These are leases of facilities by the City or a Covered Organization, entered into with PBCs, under which the City has no liability beyond monies legally available for lease payments. State law generally provides, however, that in the event the City fails to make any required lease payment, the amount of such payment will be deducted from State aid otherwise payable to the City and will be paid to the PBC.
2. *Executed Leases*—These are leases pursuant to which the City is legally obligated to make the required rental payments.
3. *Capital Reserve Fund Arrangements*—Under these arrangements, State law requires the PBC to maintain a capital reserve fund in a specified minimum amount to be used solely for the payment of the PBC's obligations. State law further provides that in the event the capital reserve fund is depleted, State aid otherwise payable to the City may be paid to the PBC to restore such fund.

Certain PBCs are further described below.

New York City Educational Construction Fund

As of December 31, 2024, \$266.4 million principal amount of ECF bonds to finance costs related to the school portions of combined occupancy structures was outstanding. Under ECF's leases with the City, debt service on the ECF bonds is payable by the City to the extent third party revenues are not sufficient to pay such debt service.

Dormitory Authority of the State of New York

As of December 31, 2024, \$212 million principal amount and \$312.4 million principal amount of DASNY bonds issued to finance the design, construction and renovation of court facilities and health facilities, respectively, in the City were outstanding. The court facilities and health facilities are leased to the City by DASNY, with lease payments made by the City in amounts sufficient to pay debt service on DASNY bonds and certain fees and expenses of DASNY.

City University Construction Fund

As of December 31, 2024, approximately \$16.2 million principal amount of DASNY bonds, relating to Community College facilities, subject to capital lease arrangements was outstanding. The City and the State are each responsible for approximately one-half of the CUCF's annual rental payments to DASNY for Community College facilities which are applied to the payment of debt service on the DASNY's bonds issued to finance the leased projects plus related overhead and administrative expenses of DASNY.

For further information regarding the particular PBCs included in the City's financial statements, see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note A."

SECTION IX: PENSION SYSTEMS AND OPEB

Pension Systems

The City maintains five actuarial pension systems, providing benefits for its employees and employees of various independent agencies (including certain Covered Organizations). Such systems consist of the New York City Employees' Retirement System ("NYCERS"), the Teachers' Retirement System of the City of New York ("TRS"), the New York City Board of Education Retirement System ("BERS"), the New York City Police Pension Fund ("PPF") and the New York City Fire Pension Fund ("FPF") (together, the New York City Retirement Systems, "NYCRS"). Members of these actuarial pension systems are categorized into tiers depending on date of membership. The systems combine features of defined benefit pension plans with those of defined contribution pension plans. Three of the five actuarial pension systems (NYCERS, TRS and BERS) are cost-sharing multiple employer systems that include public employees who are not City employees. Each public employer in these multiple employer systems has primary responsibility for funding and reporting in the employer's financial statements on its share of the systems' liabilities. Total membership in the City's five actuarial pension systems on June 30, 2022 consisted of 374,249 active employees, 402,124 retirees and beneficiaries receiving benefits and other vested members terminated but not receiving benefits, and 53,112 other inactives. Of the total membership of 829,485, City membership was 632,760. The City also contributes to three other pension systems, maintains a closed non-actuarial retirement program for certain retired individuals not covered by the five actuarial pension systems, provides other supplemental benefits to retirees and makes contributions to certain union annuity funds.

Each of the City's five actuarial pension systems is managed by a board of trustees which includes representatives of the City and the employees covered by such system. The City Comptroller is the custodian of, and has been delegated investment responsibilities for, the actuarial pension systems, subject to the policies established by the boards of trustees of the systems and State law. The City Actuary (the "Actuary"), an independent professional who is also the Chief Actuary of each of the five actuarial pension systems, determines annual employer contributions and prepares other actuarial analyses and reports that are used by the City for Financial Plan and financial reporting purposes, as further described below. The State Constitution provides that pension rights of public employees are contractual and shall not be diminished or impaired. Constitutional protection applies only to the basic pension benefits provided through each pension system's Qualified Pension Plan ("QPP") and does not extend to the Variable Supplements Funds ("VSFs") or Tax-Deferred Annuity Programs ("TDA Programs") that are also administered by some of the pension systems, as discussed below.

City Pension Contributions

The City has consistently made its full statutorily required pension contributions based on then-current actuarial valuations. For fiscal years 2023 and 2024, the City's pension contributions for the five actuarial pension systems, plus other pension expenditures, were approximately \$9.1 billion and \$9.2 billion, respectively, and were in addition to employee contributions. For fiscal years 2023 and 2024, 48% and 49% of the City pension contributions for such years, respectively, were attributable to the amortizations of Unfunded Accrued Liability ("UAL") described herein, see "*Actuarial Assumptions and Methods*" below. The Governor's Executive Budget includes a proposal which, if enacted, would restructure the amortization payment schedules of unfunded pension liabilities for NYCERS, TRS and BERS. See "*Actuarial Assumptions and Methods*" below for additional information.

For the 2024 fiscal year, the City's total annual pension contribution expenditures, including pension costs not associated with the five actuarial pension systems, plus Social Security tax payments by the City for the year, were approximately 36% of total wage and salary costs. In addition, contributions are made by certain component units of the City and other government units directly to the three cost-sharing multiple employer actuarial pension systems on behalf of their participating employees and retirees.

Annual pension contributions for each system are determined by the Actuary using actuarial methods and assumptions that provide for orderly budgeting and planning, and that differ from the assumptions and methodologies used in financial reporting. The annual statutorily required pension contribution has four major cost components: (i) the service or normal cost, which is the cost of the future liability associated with pension benefits earned that year; (ii) scheduled amortization of the initial UAL established as of June 30, 2010; (iii) amortization of positive or negative adjustments to UAL from factors such as net investment returns above or below the assumed rate of return, changes

in or deviations from actuarial assumptions and methods, and changes in benefits; and (iv) administrative expenses. Investment earnings reflect the impact of transfers within each pension system between the QPP and other employee benefit funds, including TDA Programs and VSFs, and within each QPP with regard to certain supplemental, voluntary member contribution accounts, as discussed below.

For further information on phasing in of changes in UAL, see “—*Actuarial Assumptions and Methods*” below. For further information on potential transfers within the pension systems, see “—*Fiduciary Fund Reporting*” below.

Each year, the Actuary provides each NYCERS with preliminary and final appropriation amounts equal to the statutorily required pension contribution for its respective QPP. For the NYCERS that are multi-employer plans, the Actuary also provides a schedule of allocations among the participating employers. Interest is charged on late payments, if any.

The following tables summarize the components of City pension contributions by system for fiscal years 2022, 2023 and 2024.

**New York City Retirement Systems
Components of Employer Contribution—City Share
Fiscal Year 2022
(\$ in Millions)**

	NYCERS⁽¹⁾	TRS⁽²⁾	BERS⁽³⁾	POLICE	FIRE
Entry age Normal Cost	\$ 902.7	\$ 1,365.9	\$ 163.5	\$ 1,516.1	\$ 603.6
Initial UAL Contribution	1,130.2	2,021.4	132.5	1,333.9	716.4
Subsequent UAL Contribution	202.4	(216.8)	(59.1)	(390.6)	116.5
Administrative Expenses	47.4	56.4	25.4	30.7	10.5
Interest on Late Employer Contributions	—	—	—	—	—
Total	<u>\$ 2,282.7</u>	<u>\$ 3,226.9</u>	<u>\$ 262.3</u>	<u>\$ 2,490.1</u>	<u>\$ 1,447.0</u>

**Fiscal Year 2023
(\$ in Millions)**

	NYCERS⁽¹⁾	TRS⁽²⁾	BERS⁽³⁾	POLICE	FIRE
Entry age Normal Cost	\$ 913.1	\$ 1,388.5	\$ 166.6	\$ 1,458.8	\$ 610.3
Initial UAL Contribution	1,164.1	2,082.0	136.4	1,374.0	738.0
Subsequent UAL Contribution	(86.2)	(515.7)	(98.3)	(527.6)	63.5
Administrative Expenses	53.8	54.6	28.8	28.5	11.8
Interest on Late Employer Contributions	—	—	—	—	—
Total	<u>\$ 2,044.8</u>	<u>\$ 3,009.4</u>	<u>\$ 233.5</u>	<u>\$ 2,333.7</u>	<u>\$1,423.6</u>

**Fiscal Year 2024
(\$ in Millions)**

	NYCERS⁽¹⁾	TRS⁽²⁾	BERS⁽³⁾	POLICE	FIRE
Entry age Normal Cost	\$ 887.0	\$ 1,391.5	\$ 163.0	\$ 1,445.0	\$ 615.1
Initial UAL Contribution	1,199.1	2,144.5	140.5	1,415.2	760.1
Subsequent UAL Contribution	(45.0)	(518.2)	(96.6)	(528.2)	89.8
Administrative Expenses	64.5	60.0	40.7	27.8	14.6
Interest on Late Employer Contributions	—	—	—	—	—
Total	<u>\$ 2,105.6</u>	<u>\$ 3,077.8</u>	<u>\$ 247.6</u>	<u>\$ 2,359.8</u>	<u>\$1,479.6</u>

Footnotes from previous page

Totals may not add due to rounding.

- (1) Includes New York City School Construction Authority, Transit Police, CUNY Community Colleges and New York City Off-Track Betting Corporation.
- (2) Includes CUNY Community Colleges. Does not reflect the credit for the Annuity Savings Accumulation Fund contribution paid by the DOE.
- (3) Includes New York City School Construction Authority and CUNY Community Colleges.

The Financial Plan reflects projected City pension contributions of \$10.070 billion, \$10.574 billion, \$10.927 billion, \$11.770 billion and \$11.312 billion for fiscal years 2025 through 2029, respectively. The projections in the Financial Plan are based on the valuation from the Actuary as of June 30, 2023. The pension contributions projected in the Financial Plan reflect changes to funding assumptions and methods implemented in 2021, known as the “Revised 2021 A&M”, as discussed below. The Financial Plan reflects the cost of legislation enacted into law in 2023, which includes a provision for the automatic enrollment of employees into the BERS retirement system. The Financial Plan also reflects legislation passed in 2024 which consists of providing service credit for New York City Fire Department members who participated as NYPD Cadets and allows UFT titles in BERS to transfer into TRS. Additionally, it reflects the State 2025 Budget that changes Tier 6 final average salary from 5 years to 3 years, costing \$163.2 million in the first year. It also increases pension for Police Officers 1st Grade, establishes a 25-year pension plan for civilian fire inspectors, and extends overtime removal for Tier 6 contribution rates.

The City Comptroller’s office reports investment returns using the time-weighted calculation methodology, which facilitates measurement of relative performance across systems. Using this methodology, aggregate returns on investment assets advised by the Comptroller’s office for fiscal years 2019 to 2024 were 7.24%, 4.44%, 25.85%, negative 8.65%, 8.00% and 10.00%, respectively. Returns are net of all investment manager fees. These returns varied by pension system. These reported returns refer only to those investment assets of the pension systems for which the City Comptroller’s office is the investment advisor. These investment assets exclude certain QPP funds advised outside the City Comptroller’s office and include pension system assets outside the QPPs. The returns do not reflect the impact of transfers within each pension system between the QPP and other employee benefit funds, such as TDAs and VSFs, or within each QPP with regard to certain supplemental, voluntary member contribution accounts. Such transfers can be material, and, as such, the earnings used by the Actuary in determining required City contributions may differ materially from the earnings implied by the investment-only rates of return above.

Actuarial Assumptions and Methods

This section describes the actuarial assumptions and methods used for determining the City’s pension contributions. As mentioned previously, these actuarial assumptions and methods may differ from those used for financial reporting, or for other pension system administrative purposes.

An actuarial valuation requires an initial set of information and assumptions about future events. Pursuant to the City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarial pension systems are conducted by an independent actuarial firm every two years. Such studies assess the reasonableness of the Actuary’s calculations of the employer contributions and make recommendations about actuarial methods and assumptions. The Actuary may recommend changes to methods and assumptions based on these studies. Bolton, Inc., an independent actuarial firm, completed their final reports in June 2019. Partially as a result of this study, the Actuary recommended changes to several of the assumptions for each of the NYCERS. This set of actuarial assumptions and methods is referred to as the “2019 A&M.” In July 2021, the Actuary amended certain assumptions and methods from the 2019 A&M. This revised set of actuarial assumptions and methods is referred to as the “Revised 2021 A&M” and was used by the Actuary for determining employer contributions to the NYCERS, and where applicable, Net Pension Liabilities of the NYCERS, beginning in fiscal year 2021.

The complete set of actuarial assumptions used for each of the NYCERS can be found in the actuarial valuation reports on the web site of the New York City Office of the Actuary (www.nyc.gov/actuary). Such website, and the information and links contained therein, are not incorporated into, and are not part of, this Appendix. The actuarial methods and assumptions currently in effect include an actuarial interest (discount) rate assumption of 7% per annum which is based on expected investment earnings net of investment expenses, the Society of Actuaries MP-2020 mortality improvement scale and the use of the Entry Age Actuarial Cost Method. The initial UAL recognized as of

June 30, 2010, is being amortized, with interest of 7% through City contributions over a 22-year period that commenced in fiscal year 2012 with dollar payments increasing at a rate of 3% per year.

The Governor's Executive Budget includes a proposal which, if enacted, would simultaneously extend and restructure the amortization payment schedules of the UAL for NYCERS, TRS and BERS. The proposal extends from fiscal year 2032 to fiscal year 2044, the date by which the UAL will be fully funded. The extension of the time period for amortizing the UAL will help avoid a steep contribution cliff in fiscal year 2033 and produce a more stable pattern of annual contributions. Within the Financial Plan period, total contributions for the impacted pensions systems will increase from \$5.4 billion in fiscal year 2025 to \$5.7 billion in fiscal year 2029, rather than increasing from \$5.9 billion to \$6.7 billion in such years, respectively. Beyond the Financial Plan period, total contributions for the impacted systems will remain relatively flat at \$5.4 billion annually through fiscal year 2044. Altogether, if enacted, the proposal is expected to decrease the City's planned pension contributions by \$511 million in fiscal year 2025, \$753 million in fiscal year 2026, \$872 million in fiscal year 2027, \$1.05 billion in fiscal year 2028, and \$984 million in fiscal year 2029, with further reductions in anticipated contributions of between \$1.2 billion and \$1.8 billion in fiscal year 2030 to fiscal year 2032. In fiscal year 2033, the City's pension contributions will increase above anticipated levels by \$2.2 billion and by gradually smaller amounts each year thereafter from fiscal year 2035 to fiscal year 2044.

Also under the current funding method, emerging unfunded liabilities are recognized and amortized over closed, fixed periods using level dollar payments. Future UAL attributable to actuarial gains and losses is amortized over 15 years; future UAL attributable to changes in actuarial assumptions and methods is amortized over 20 years; and future changes in UAL attributable to benefit improvements is generally amortized over periods reasonably consistent with the remaining working lifetimes of those impacted.

Regarding the asset valuation method, effective June 30, 2019, the Actuary reset the actuarial value of assets equal to the market value of assets. Subsequent to that date, investment earnings above or below expectation are reflected in City pension contributions in two stages: first, the annual earnings above or below expectation are phased into the actuarial value of assets over a five-year period, with 20% of the total recognized each year. Second, the portion recognized in each year is then amortized over a 15-year period for the purpose of calculating the City's annual pension contributions. The Actuary uses investment earnings in this calculation and does not calculate an investment rate of return.

The actuarial method also includes the continued use of the One Year Lag methodology, where census data and asset information as of the June 30 second preceding a fiscal year is used to determine the employer contribution for that fiscal year. For example, for the fiscal year 2024 pension contribution calculation, employee data and the Actuarial Value of Assets as of June 30, 2022 were used.

Financial Reporting

City Pension Fund Financial Reporting

The City accounts for its pensions consistent with the requirements of GASB. In fiscal year 2014, the City implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB 68"). The GASB 68 standards apply to actuarial calculations for financial reporting but not to the actuarial calculation of annual City employer pension contributions, which continue to be determined as described above.

In broad terms, GASB 68 separates pension accounting in the City's government-wide financial statements from the phased or smoothed asset and liability figures that the Actuary uses in determining the City's annual pension contributions, as described above. For financial reporting purposes, most changes in assets and liabilities are reflected in the year in which they occur. As a result, pension fund accounting under GASB 68 has increased year-to-year volatility in reported net pension liability. Under GASB 68, net pension liabilities are reported on employers' Government-Wide Statements of Net Assets when the fair value of pension assets falls short of actuarially calculated liabilities, when both are measured as of the same date (fiscal year end). For the cost-sharing multiple employer pension systems, only the City share of net pension liabilities is reported in the Government-Wide Statement of Net Assets. As reported in the Government-Wide financial statements for fiscal years 2020 through 2024, the City membership (active, inactive and retired) and the City's share of total pension liability, Plan fiduciary net position,

net pension liability, and plan fiduciary net position as a percent of total pension liability, aggregated across the five pension systems, were as follows:

Summary of City Pension Information, Fiscal Years 2020-2024⁽¹⁾
(Dollars in Billions)

	2020	2021	2022	2023	2024
City Membership (active, inactive, retired) ⁽²⁾	619,659	624,129	621,698	632,760	663,801
Total Pension Liability (TPL)	\$ 210.7	\$ 221.1	\$ 227.1	\$ 234.6	\$ 246.2
Less Plan Fiduciary Net Position (PFNP)	164.3	211.5	184.8	194.5	210.6
Net Pension Liability (NPL)	\$ 46.4	\$ 9.6	\$ 42.3	\$ 40.1	\$ 35.6
PFNP as percent of TPL	77.9%	95.7%	81.4%	82.9%	85.5%

Source: NYC Annual Reports

(1) Data are aggregated across the five pension systems. Funding amounts and percentages vary between systems. Data for NYCERS, PPF, and FPF include the QPP and VSFs, and data for TRS and BRS are QPP only.

(2) Membership data are as of June 30th of the prior year.

The reported net pension liabilities do not include future payments on fixed return TDA funds, described below, where the statutory rate of interest for members is higher than the assumed 7% return on QPP assets.

For further information see “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT.”

Fiduciary Fund Reporting

The fiscal year 2024 Annual Report contains Fiduciary Funds financial statements for each of the five actuarial pension systems. These financial statements report on the entirety of the five systems, not just the City share. Each of the five actuarial pension systems administers programs in addition to its respective QPP, and these programs are also reported as part of each system’s financial statements in the Fiduciary Fund financial statements. The City Annual Reports for fiscal years 2020 through 2024 report a net position (assets plus deferred outflows, less liabilities and deferred inflows), for the five actuarial pension systems, in aggregate, restricted for QPPs, restricted for TDAs, and restricted for VSFs as shown in the following chart. For further information, see “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Pension and Other Employee Benefit Trust Funds Combining Statement of Fiduciary Net Position.”

New York City Retirement Systems
Aggregate Net Position,
Fiscal Years 2020-2024
(In Millions)

	2020	2021	2022	2023	2024
<u>Net Position:</u>					
Restricted for QPPs	\$190,773.8	\$241,500.2	\$211,858.4	\$223,780.5	\$241,374.3
Restricted for VSFs	6,137.3	7,893.2	6,369.1	6,398.5	7,484.3
Restricted for TDAs	39,360.3	45,503.2	44,951.3	48,542.1	52,477.5
Total Net Position.	\$236,271.3	\$294,896.7	\$263,178.7	\$278,721.1	\$301,336.1

Source: NYC Annual Reports

In addition to the QPPs, TRS and BERS administer TDA Programs. Benefits provided under the TDA programs are derived from members’ accumulated contributions. No direct contributions are provided by employers. However certain investment and benefit options, if selected by TDA members, may indirectly affect employer financial obligations, as described below. As of June 30, 2023 and 2024, the total fiduciary net position restricted for TDA

benefits was \$48.5 billion and \$52.5 billion, respectively. Each of the TDA Programs has at least two investment options, broadly categorized as a fixed return fund and one or more variable return funds.

Deposits from members' TDA Program accounts into the fixed return funds are used by the respective QPP to purchase investments, and such TDA Program accounts are credited with a statutory rate of interest, currently 7% for United Federation of Teachers members and 8.25% for all other members. If earnings on the respective QPP are less than the amount credited to the TDA Program members' accounts, the higher cost to the QPP could require additional payments by the City to the pension funds. If the earnings are higher, then lower payments by the City to the pension funds could be required. The Actuary recognizes the difference between the guaranteed rate of 8.25% and the actuarial interest rate of 7.0% in the calculation of the employer contributions to the QPPs each year.

All investment securities purchased and invested by the QPPs with TDA Programs' fixed return funds' balances are owned and reported by the QPP. A receivable due from the respective QPP equal in amount to the aggregate original principal amounts contributed by TDA Programs' members to the respective fixed return funds, plus accrued interest at the statutory rate, is owned by each of the TDA Programs. The balances of TDA Program fixed return funds held by the TRS QPP as of June 30, 2023 and 2024 were \$33.7 billion and \$35.5 billion, respectively, and interest paid on TDA Program fixed return funds by the TRS QPP for the years then ended were \$2.3 billion and \$2.4 billion, respectively. The balances of TDA Program fixed return funds held by the BERS QPP as of June 30, 2023 and 2024 were \$2,552.3 million and \$2,788.7 million, respectively, and interest paid on TDA Program fixed return funds by the BERS QPP for the years then ended were \$201.4 million and \$220.8 million, respectively. Deposits from members' TDA Program accounts into the variable return funds are credited with actual returns on the underlying investments of the specific fund selected. Members may reallocate all or a part of their TDA Program contributions between the fixed and variable return funds on a quarterly basis. Retired TDA members may make withdrawals from their TDA accounts or elect to take the balance in the form of an annuity that is calculated based on a statutory rate of interest and mortality assumptions, which are separate and different from the mortality assumptions used in pension liability calculations. Once an annuity has been selected by a member, the payment of those benefits is guaranteed by the QPP.

In addition, certain Tier I and Tier II pension plan members have the right to make supplemental, voluntary member contributions into the QPPs. These contributions are credited with interest at rates set by statute or, for certain employees that may choose variable return investments, the actual return, and may be withdrawn or annuitized at retirement. In general, the assets and liabilities associated with these member contributions are included in the reported assets and actuarially-determined net pension obligations of the respective plans. There were approximately 100 active Tier I and Tier II members remaining in TRS and BERS as of June 30, 2024.

Ultimately, investment earnings of the fixed rate funds that are less than the amounts credited to the members could result in additional required contributions by the City to the pension funds and investment earnings that are greater than the amounts credited to the members could result in lower required contributions by the City to the pension funds.

Pursuant to State law, certain retirees of NYCERS, PPF and FPF are eligible to receive scheduled supplemental benefits from VSFs. Where assets in the VSFs are insufficient, NYCERS, PPF and FPF are required to transfer assets to their respective VSFs to fund those payments that are statutorily guaranteed. The effects of these transfers are included by the Office of the Actuary in calculating required employer contributions to the pension funds. However, under current State law, the VSFs are not pension funds or retirement systems and are subject to change by the State Legislature.

For further information regarding the City's pension systems see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note E.5," "—Pension and Other Employee Benefit Trust Funds—Combining Statement of Fiduciary Net Position" and "—Required Supplementary Information."

Other Post-Employment Benefits

Post-employment benefits other than pensions (referred to as OPEB), which include health insurance, Medicare Part B premium reimbursements and welfare fund contributions, are provided to eligible retirees of the City and their eligible beneficiaries and dependents.

City OPEB Contributions

OPEB costs are currently paid in each fiscal year on a pay-as-you-go basis. The vast majority of such payments are made through the Retiree Health Benefits Trust (“RHBT”) discussed below. The City is not required by law or contractual agreement to fund the OPEB obligation other than the pay-as-you-go amounts necessary to provide current benefits to eligible recipients. OPEB costs were \$3.315 billion for fiscal year 2024 and are projected to be \$3.594 billion, \$3.754 billion, \$3.914 billion, \$4.090 billion, and \$4.279 billion for fiscal years 2025 through 2029, respectively.

In 2006, the City created the RHBT which is used to receive, hold, and disburse assets accumulated to address the OPEB liabilities. Amounts contributed to the RHBT by the City are held in an irrevocable trust and may not be used for any purpose other than to fund the costs of health and welfare benefits of its eligible participants. The RHBT balance is maintained via the City’s annual pay-as-you-go funding contributions. In certain fiscal years the City has paid into the RHBT less than the corresponding fiscal year’s health and welfare benefits costs, with the balance paid out of the RHBT. This reduces the balance of the RHBT. In other years the City has paid into the trust more than the corresponding fiscal year’s health and welfare costs. This increases the balance of the RHBT. The following table shows the net position of the RHBT as of the end of each of fiscal years 2021 through 2024.

Retiree Health Benefits Trust Net Position (Dollars in Millions)

2021	4,221
2022	5,376
2023	5,318
2024	5,038

Source: NYC Annual Reports

Actuarial Assumptions and Methods

GASB 74 applies to financial reporting by post-employment benefit plans and GASB 75 covers reporting on post-employment benefit plans by employers. The City implemented GASB 74 and GASB 75 for its financial statements beginning in fiscal year 2017. The City’s fiscal year 2024 Annual Report reported the City’s net OPEB liabilities as \$95.0 billion and \$98.3 billion as of June 30, 2023 and 2024, respectively.

The actuarial assumptions and methods used in the OPEB valuations are a combination of those used in the NYCERS pension valuations and those specific to the OPEB valuations, such as the discount rate described below. The assumptions used in the fiscal year 2024 OPEB valuation have not changed from the prior valuation, with the exception of the discount rate, the Medicare and Medicare Part B trend assumptions as described in the City’s Annual Report. As required under GASB 75, OPEB valuations assume a discount rate based on a long-term expected rate of return on assets and the index rate for certain highly rated municipal bonds. The fiscal year 2024 OPEB measurement assumed a discount rate of 4.21% per annum.

Summary OPEB Information

As reported in the City’s financial statements, the following table summarizes City OPEB information for fiscal years 2022 through 2024.

Summary of City OPEB Information, Fiscal Years 2022 - 2024
(Dollars in Billions)

	2022	2023	2024
Participants (active/inactive plan members receiving or eligible to receive benefits).....	565,984	567,028	569,096
Total OPEB Liability (TOL).....	\$ 94.9	\$ 100.3	\$ 103.3
Less Fiduciary Net Position (FNP).....	5.4	5.3	5.0
Net OPEB Liability (NOL).....	89.5	95.0	\$ 98.3
FNP as percent of TOL.....	5.7%	5.3%	4.9%
Covered Employee Payroll	\$ 29.0	\$ 31.1	\$ 32.3
NOL as a percent of Covered Employee Payroll.....	309.0%	305.1%	304.1%

Source: NYC Annual Reports. Totals may not add due to rounding.

For further information regarding OPEB, see “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note E.4,” “—Pension and Other Employee Benefit Trust Funds—Combining Statement of Fiduciary Net Position” and “—Required Supplementary Information.”

SECTION X: OTHER INFORMATION

Litigation

The following paragraphs describe certain material legal proceedings and claims involving the City and Covered Organizations other than routine litigation incidental to the performance of their governmental and other functions and certain other litigation arising out of alleged constitutional violations, torts, breaches of contract and other violations of law and condemnation proceedings. While the ultimate outcome and fiscal impact, if any, on the City of most of the proceedings and claims described below are not currently predictable, adverse determinations in certain of them might have a material adverse effect upon the City's ability to carry out the Financial Plan. The City has estimated that its potential future liability on account of outstanding claims against it as of June 30, 2023 amounted to approximately \$8.2 billion. See "SECTION VII: FINANCIAL PLAN —Assumptions—*Expenditure Assumptions*—2. OTHER THAN PERSONAL SERVICE COSTS—*Judgments and Claims*."

The City has received in excess of 118 notices of claim from putative plaintiffs related to COVID-19. The City has been named as a defendant in approximately 18 legal actions and received approximately 2,403 workers' compensation claims to date relating to the COVID-19 outbreak in the City. The notices of claim and legal actions include claims that wrongful actions or omissions of the City and/or certain City restrictions related to COVID-19 have resulted in severe medical, psychological and economic damages and/or death. The workers' compensation claims are governed by a no-fault system in which the City, as the claimant's employer, provides wage replacement benefits and medical care for work-related illnesses if the City accepts the employee's claim or the claimant obtains a judgment from the New York State Workers' Compensation Board. The City may receive additional legal and workers' compensation claims related to COVID-19 in the future. The City cannot predict its potential monetary liability from such claims at this time or whether such liability will have a material effect on the finances of the City.

Taxes

1. Numerous real estate tax certiorari proceedings alleging overvaluation, inequality and illegality are pending against the City. Based on historical settlement activity, and including an estimated premium for inequality of assessment, the City estimates its potential future liability for outstanding certiorari proceedings to be \$1.61 billion at June 30, 2024. For a discussion of the City's accounting treatment of its inequality and overvaluation exposure, see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note D.5."

2. Tax Equity Now New York LLC (composed of certain advocacy groups and owners and tenants of properties in the City) commenced an action in New York State Supreme Court on April 24, 2017 against the City and the State. The action alleges that the City's real property tax system violates the State and federal constitutions as well as the Fair Housing Act. The action further alleges the valuation methodology as mandated by certain provisions of the State Real Property Tax Law results in a disparity and inequality in the amount of taxes paid by certain minority property owners and renters. The City and State defendants moved to dismiss the case. In September 2018, the Court denied the City's motion to dismiss the complaint and partially granted the State's motion to dismiss the complaint. All parties appealed the lower court decision and the First Department granted the City's and the State's motions to dismiss and dismissed all claims against both the City and the State. On December 1, 2021, the plaintiff served and filed a motion seeking leave to appeal directly from the Court of Appeals. On April 28, 2022, the Court of Appeals granted the plaintiff's motion for leave to appeal. Oral argument was held at the Court of Appeals on January 9, 2024. A decision was issued on March 19, 2024, in which the Court of Appeals reversed the decision of the Appellate Division in part. The court held that the petitioner sufficiently alleged causes of action against the City under section 305(2) of the State Real Property Tax Law and the Fair Housing Act and denied the portions of the City's motion to dismiss relating to those claims. The court affirmed the Appellate Division decision with regard to all other claims brought against the City and the State. On January 23, 2025, plaintiff served the City with a motion seeking partial summary judgment against the City on certain causes of action and seeking a judgment declaring that the disuniformity of the City's real property taxation system as applied to certain property classes violates New York's Real Property Tax Law § 305(2). The City's opposition was filed March 27, 2025, and plaintiff's reply is due April 11, 2025. It is too early at this stage of the litigation to provide an accurate estimate of the potential cost, if any, to the City; however, the exposure could be significant.

Miscellaneous

1. In 1996, a class action was brought against the New York City Board of Education (the “BOE”) and the State in federal district court of the Southern District of New York under Title VII of the Civil Rights Act of 1964 alleging that the use by the Board of Education of a teacher certification examination mandated by the State from 1996 to 2004, the Liberal Arts and Science Test (“LAST”), and a second version of the teacher certification examination mandated by the State from 2004 to 2014, the Liberal Arts and Science Test 2 (“LAST-2”), had a disparate impact on minority candidates. In 2006, the United States Court of Appeals for the Second Circuit dismissed the claims against the State. The District Court ruled in 2012 and 2015, respectively, that each of LAST and LAST-2 violated Title VII because it did not measure the skills necessary to do the job. Currently, approximately 5,300 LAST and LAST-2 class members have submitted claim forms and may be eligible for damages. Approximately 4,412 judgments have been entered in favor of the claimants totaling approximately \$958 million. The Second Circuit denied 347 of the City’s appeals and the parties stipulated that the remainder of judgments appealed after September 3, 2019 would remain in effect as if they had also been affirmed. With the assistance of the court appointed Special Master, the parties reached an agreement to limit the number of the judgments that would need to be paid in any given fiscal year. The maximum dollar value of judgments to be paid by the BOE would be limited as follows: In fiscal year 2024 – a maximum of \$360 million; in fiscal year 2025 – a maximum of \$360 million; in fiscal year 2026 – a maximum of approximately \$183 million; in fiscal year 2027 – a maximum of approximately \$83 million; and in fiscal year 2028 – a maximum of approximately \$33 million. The agreement is a cap on payments of judgments entered against the BOE and is not an agreement to compromise claims. BOE will continue to contest individual claims presented to the Special Master. The Special Master will regulate the number of judgments entered against BOE to ensure that the aforementioned caps are not exceeded in any fiscal year.

2. In a putative class action, *Soybel et al. v. City of New York*, on April 6, 2021 in the United States District Court for the Eastern District of New York, medallion owners who purchased taxi medallions filed claims against the City and former City officials, alleging improper conduct in connection with the sale of taxi medallions from 2004-2017. Plaintiffs allege that the City engaged in a scheme to artificially inflate the value of taxi medallions through fraudulent, collusive, and deceptive means to maximize its profit through actions to artificially inflate the “upset price” for medallions at auction, allowed collusive bidding at auction to drive up an artificial “floor” for future medallion transactions, published deliberately false and misleading average sales prices for secondary market transactions, deliberately concealed an internal report on medallion values, and launched a false and misleading advertising campaign for medallion sales. Plaintiffs allege that the City engaged in a conspiracy in violation of the Racketeering Influenced and Corrupt Organization statute (“RICO”), violated federal antitrust laws, and that the City’s actions constituted unjust enrichment under State law. The case also names as defendants certain purchasers of the medallions. Plaintiffs seek compensatory and treble damages in the amount of \$2.6 billion, plus punitive damages against the individually-named City officials and attorneys’ fees and costs. On March 31, 2023, the Court issued a decision dismissing the amended complaint in its entirety, finding that all of plaintiffs’ claims, including their RICO, antitrust, and unjust enrichment claims, are time-barred and that there were sufficient warnings to allow plaintiffs to learn their claims had accrued. On March 15, 2024, the Court granted plaintiffs’ motion for reconsideration of this decision only to the extent that, within 30 days, three of the plaintiffs address why their individual RICO claims against the City for declaratory relief and disgorgement are not subject to dismissal. On November 13, 2024, the Court granted the motion of non-City defendants for judgment on the pleadings. The clerk entered judgment on March 7, 2025, and on March 21, 2025, plaintiffs filed a notice of appeal.

3. The City is named as a defendant in a putative class action relating to the City’s Speed Camera Program authorized pursuant to Vehicle and Traffic Law (“VTL”) section 1180-b (the “Speed Camera Program”). In September 2020 in New York County Supreme Court, plaintiffs filed *Muladzhanov v. City*, challenging the processing of vehicular speeding tickets issued by the City under the Speed Camera Program. Plaintiffs claimed, among other things, that certificates issued by the City to verify speeding violations were not notarized as plaintiffs allege is required by VTL section 1180-b(d) and therefore said certificates and the related fines were invalid. Plaintiffs seek refunds of fines paid under the Speed Camera Program from August 2013 to August 2018 and from July 2019 to present. If a class were to be certified by the Court and the City was ordered to pay refunds for fiscal year 2014 to fiscal year 2020 for said violations, the potential monetary liability could be substantial. On March 15, 2024, the Court issued a decision granting the City’s motion to dismiss the lawsuit; on April 14, 2024, plaintiffs

noticed an appeal to the Appellate Division, First Department and briefing is underway.

4. In 2019, New York State enacted the Child Victims Act which eliminated various procedural requirements in actions where a plaintiff alleges sexual abuse that occurred when the plaintiff was under 18 years of age. The City and DOE were initially named as a defendant in over 1,000 cases authorized by the Act, which claims primarily related to the alleged sexual abuse of children in either schools or the City's foster care system. Currently, there are nearly 800 cases still pending, of which approximately 600 involve the City's Administration for Children's Services ("ACS"). The City and DOE have settled approximately 200 cases for a combined value of approximately \$230,000,000 substantially all of which has been paid. Discovery demands have been incorporated into a court order and more complete demands have been issued, and discovery is underway in most cases. On February 18, 2025, in the case of *Weisbrod- Moore v. Cayuga County*, the Court of Appeals held that municipalities owe a duty of care to children that the municipalities place in foster homes because the municipalities have assumed custody of those children. The court preserved the defenses of notice and foreseeability. This ruling is likely to significantly impact the City's potential liability. While it is still too early to provide an accurate estimate of the potential cost to the City, the exposure could be substantial in each of the future years during which settlements are reached.

5. On May 31, 2023, in New York State Supreme Court, New York County, a group of City retirees filed a legal challenge to the implementation of the City's Medicare Advantage plan which is intended to generate savings in retiree health benefit costs. On August 11, 2023, the Supreme Court permanently enjoined the City from requiring any City retirees, and their dependents, from being removed from their current health insurance plans, and from being required to either enroll in the Medicare Advantage plan or seek their own health coverage. The City appealed and on May 21, 2024, the Appellate Division affirmed the Supreme Court's order. On November 24, 2024, the New York Court of Appeals granted the City's application for leave to appeal, and oral argument is scheduled for May 15, 2025. Previously, on September 26, 2021, in New York State Supreme Court, New York County, a group of City retirees filed a legal challenge to the implementation of the City's Medicare Advantage Plus plan, which was intended to generate savings in retiree health benefit costs. The State Supreme Court concluded that, although the City could proceed with the implementation of the Medicare Advantage Plus plan, it could not charge retirees enrolled in Senior Care a co-premium to stay in that plan. The City appealed that decision on March 4, 2022, and petitioners subsequently filed a cross-appeal. On July 15, 2022, the contract awardee, Anthem Insurance, Inc. d/b/a Empire BlueCross BlueShield Retiree Solutions, which was to provide the Medicare Advantage Plus plan challenged in this litigation, advised the City that it would no longer participate in offering the plan because of delays and uncertainties regarding its effective date. On August 28, 2022, the petitioners withdrew their cross-appeal. On November 22, 2022, the Appellate Division, First Department affirmed the Supreme Court's order. On December 17, 2024, the New York Court of Appeals also affirmed. For further information, see "SECTION V: CITY SERVICES AND EXPENDITURES—Employees and Labor Relations—*Labor Relations*."

6. On May 11, 2023, an advocacy organization and four employee members of three City pension funds (NYCERS, BERS and TRS) filed a lawsuit alleging that the funds had breached their fiduciary duties owed to pension fund participants and beneficiaries, by divesting from fossil fuel companies. The plaintiffs do not allege that they have suffered direct damages and are unlikely to recover damages. Rather, the primary relief they seek is injunctive relief to undo the divestment decision, such as through the appointment of a monitor or the requirement that the funds buy back some or all of the fossil fuel stocks that they sold. The plaintiffs also seek an order requiring payments into the funds to compensate the funds for alleged losses caused by the divestments. Even if that relief were ordered by the court, it would be unlikely to alter the City's pre-existing and ongoing financial obligation to ensure that the pension funds are able to pay the benefits owed to their beneficiaries. If the court were to order payments into the funds to offset alleged losses from the divestment, those are infusions that the City would likely have to pay into the funds at some point in the future, in any event, to ensure the funds are adequately funded. On August 7, 2023, the City filed a motion to dismiss the complaint, and argument on that motion was heard on February 28, 2024. The Court dismissed the lawsuit against NYCERS and the other pension funds on July 3, 2024. Plaintiffs appealed and, on March 11, 2025, the Appellate Division, First Department affirmed the dismissal of the lawsuit. It is too early at this stage of the litigation to provide an accurate estimate of the potential cost to the City.

7. In 2022, the State passed the Adult Survivors Act (the "ASA"), which created a one-year window for the filing of lawsuits in which plaintiffs allege they were victims of sexual abuse which occurred when they were 18 years of age or older at the time of the alleged abuse, although the associated statute of limitations may

have otherwise expired. Since the ASA claim revival window opened in November 2022, the City has been named as a defendant in approximately 744 cases authorized by the ASA. Although the filing deadline for the revival window closed on November 24, 2023, service of timely filed complaints continued through March 25, 2024. The vast majority of the cases involve female inmates alleging rape or sexual assault by correction officers or other inmates at the Rose M. Singer Center unit of Rikers Island. The plaintiffs allege that the City and the City's Correction Department failed to provide adequate supervision and prevent foreseeable harm. The exposure for the City is currently estimated at approximately \$1.125-1.875 billion over an expected period of at least three to four years.

8. On May 25, 2023, the City Council passed four bills, Local Law Numbers 99, 100, 101 and 102 of 2023, each of which took effect on January 9, 2024 and substantially expand eligibility for the City's housing rental assistance voucher program for individuals and families who are experiencing or are at risk of homelessness. The Mayor vetoed the bills on June 23, 2023, noting fiscal, operational, policy and legal issues presented by the laws. The City Council voted to override the vetoes on July 13, 2023. By letter dated December 15, 2023, the City advised the City Council that in light of the issues identified in the Mayor's veto messages, the Mayor would not be implementing the local laws at that time. The Legal Aid Society filed a lawsuit in the New York State Supreme Court, New York County on February 14, 2024 against the City on behalf of four individuals. On February 21, 2024, the City Council moved to intervene in the Legal Aid Society's lawsuit. On August 1, 2024, the Court denied the petitions from Legal Aid Society and from the City Council, ruling that the Mayor established that the four bills are invalid as preempted by State law. The City Council and Legal Aid Society appealed to the Appellate Division, First Department and oral argument was held on February 4, 2025.

9. On September 9, 2021, three third-party food delivery platforms sued the City in federal court in the Southern District of New York, regarding laws passed by the City Council that imposed limits on the commissions that such platforms can charge to restaurants for pick-up and delivery services and marketing and advertising services. The plaintiffs assert federal and State constitutional challenges. In March 2022, the City moved to dismiss the action. In September 2023, the court denied the City's motion to dismiss in full. The City filed its answer to the complaint in October 2023 and the discovery phase of the case ensued. In their initial disclosures, plaintiffs allege ongoing damages related to impairment of their contracts, loss of goodwill, injury to their business, and just compensation for taking of their property, among others. It is too early at this stage of the litigation to provide an accurate estimate of the potential costs to the City but such costs could be substantial.

10. In 2022, the City Council amended the 2000 Victims of Gender-Motivated Violence Protection Law to expand the category of those liable under the law from an "individual" who committed a gender-motivated crime, to a "party" who "commits, directs, enables or participates in the commission" of such a crime. The amendment also established a two-year claim revival period, permitting previously time-barred suits to be filed up to March 1, 2025. Approximately 568 lawsuits have been filed in New York State Supreme Court (Bronx, Kings, Queens and New York Counties), against the City, the Department of Corrections and ACS pursuant to the amendment and its revival provision. These suits collectively allege acts of gender-motivated violence (sexual assault) against individual juvenile plaintiffs while in custody in City juvenile detention facilities (Spofford/Bridges, Horizon and Rikers). On October 31, 2024, the City filed a motion to dismiss the initial lawsuits that were filed in Bronx County by challenging the 2022 amendment, particularly the revival period provision. Similar motions will be filed seeking dismissal of the remaining suits in all counties. The City believes it has strong meritorious defenses against the claims which support the City's position that the City cannot be held liable in these cases. While it is still too early to provide an accurate estimate of the potential cost to the City, the exposure could be substantial.

Environmental Matters

Climate Change: Storms, Strategic Planning and Resiliency

The City has 520 miles of coastline, bordering the Atlantic Ocean as well as rivers, bays, and inlets. Four of its five Boroughs, Manhattan, Staten Island, Brooklyn, and Queens, are on islands and water also forms the principal boundary of the Bronx. As a result, the City is directly affected by rising sea levels, inland flooding, and exposed to intensifying coastal storms.

Storms. On Monday, October 29, 2012, Superstorm Sandy hit the Mid-Atlantic East Coast. The storm caused widespread damage to the coastal and other low-lying areas of the City and power failures in various parts of the City, including most of downtown Manhattan, the south shore of Staten Island, and the communities surrounding Jamaica Bay in Brooklyn and Queens. On January 29, 2013, President Obama signed legislation providing for approximately \$50.5 billion in storm-related aid for the region affected by the storm. Although it is not possible for the City to quantify the full, long-term impact of the storm on the City and its economy, the current estimate of the direct costs to the City, NYCHH and NYCHA is approximately \$10.7 billion (comprised of approximately \$1.8 billion of expense costs and approximately \$8.9 billion of capital project costs). Such direct costs represent funding for emergency response, debris removal, emergency protective measures, repair of damaged infrastructure and long-term hazard mitigation investments.

The Financial Plan assumes that the direct costs described above will largely be paid from non-City sources, primarily the federal government, and that the Community Costs described above will be primarily reimbursed by federal funds. The City expects reimbursements to come from two separate federal sources of funding, FEMA and HUD. The City has secured approximately \$10.8 billion in FEMA assistance and other federal emergency response grants (“FEMA Funding”). The maximum reimbursement rate from FEMA is 90% of total costs. Other federal emergency response grants may have larger local share percentages. The City expects to use \$730 million of Community Development Block Grant Disaster Recovery funding allocated by HUD to meet the local share requirements of the FEMA Funding, as well as recovery work not funded by FEMA or other federal emergency response grants for the direct costs described above. This allocation would be available to fill gaps in such FEMA Funding. As of March 20, 2025, the City, NYCHH and NYCHA have received \$5.8 billion in reimbursements from FEMA Funding for the direct costs described above. In addition to the FEMA Funding described above, HUD has made available approximately \$4.4 billion for Community Costs, of which approximately \$4 billion has been received through January 1, 2025. No assurance can be given that the City will be reimbursed for all of its costs or that such reimbursements will be received within the time periods assumed in the Financial Plan. There is no assurance, if the City were to experience a similar storm in the future, that non-City sources, including the federal government, would pay the costs.

On September 1, 2021, Hurricane Ida hit the Mid-Atlantic East Coast as a post-tropical cyclone (“Ida”), bringing significant rainfall and resulting in severe flooding in parts of the City, including primarily inland areas. Rainfall from Ida exceeded the previous record for the most single-hour rainfall in the City and for the first time the National Weather Service declared a flash flood emergency in the City. Ida resulted in the deaths of 13 people in the City, 11 of which occurred in basement housing units.

Strategic Planning and Resiliency. Since 2007, the City has been engaged in strategic planning for climate change, recognizing the challenges it presents for City operations and infrastructure. Among other things, the City created the New York City Panel on Climate Change (the “NPCC”), a body of more than a dozen leading independent climate and social scientists. Since 2008, NPCC has analyzed climate trends, developed projections, explored key impacts, issued reports (the “NPCC Reports”) and advised on response strategies for the City. The NPCC determined that the City is already experiencing the impacts of climate change and projects dramatic impacts on the City in the future. Climate change is causing more extreme heat, extreme rainfall, coastal storm surge, and chronic tidal flooding. NPCC projections form the basis for the City’s climate resiliency planning, which involves coordination and cooperation among multiple public and private stakeholders, and expansion of ongoing maintenance and development of municipal infrastructure as well as specific initiatives such as those described below.

Reducing risk from extreme rainfall requires a multi-layered strategy with investments in infrastructure adaptation, building level protection, data collection, and community engagement. In July 2022, the City released the Rainfall Ready NYC action plan, a plan to prepare the City for more extreme rainfall in the future. The City continues to install grey infrastructure, such as building out a comprehensive storm sewer system in Southeast Queens, and green infrastructure, such as rain gardens and bluebelt wetlands, to manage stormwater and protect water quality. This work is being carried out by DEP and funding is included in the City’s capital budget. The City is also working to develop Cloudburst management projects that will use grey and green infrastructure to absorb, store and transfer rainwater during extreme storm events.

Building on NPCC’s recommendations, prior recommendations released after Ida hit the City and the City’s strategic planning, the City released PlaNYC: Getting Sustainability Done (“PlaNYC 2023”) in April 2023. PlaNYC

2023 addresses some of the risks identified in the NPCC Reports. Among other things, PlaNYC 2023 includes measures to address the biggest risks to the City associated with climate change, including extreme heat and flooding from extreme rainfall, coastal storms and tidal flooding due to sea level rise. PlaNYC 2023 also describes measures to reduce economy-wide greenhouse gas emissions and initiatives to transition away from polluting fossil fuels to clean energy. The total costs of implementing all of PlaNYC 2023's recommendations, including those relating to extreme rainfall, would be substantial and in some cases would require State, federal or other non-City funding alongside additional City funding.

In 2023, the City launched Climate Strong Communities ("CSC"), an initiative of the New York City Mayor's Office of Climate and Environmental Justice that aims to build resiliency and sustainability infrastructure to reduce risks from climate change in environmental justice areas. CSC is grounded in environmental justice and guided by three pillars: collaborating with communities, working across government, and unlocking new funding. CSC is an equitable multi-hazard planning framework that leverages infrastructure and climate funding opportunities.

The City is in the process of implementing infrastructure projects to protect areas of the City from flooding associated with extreme rainfall, storm surge, and tidal flooding due to sea level rise. (See below for additional information on the impacts of flooding.) These projects and initiatives are in various stages of feasibility review, design, construction, and implementation. Funding for these projects is expected to come from City, State and federal sources. Some projects are expected to require additional funding to the extent that they are in the planning stages or current funding does not provide for the costs of construction.

In 2023, the City created a new Bureau of Coastal Resilience led by a Deputy Commissioner at the Department of Environmental Protection to coordinate the City's coastal resiliency work. Several major coastal resiliency projects are currently underway throughout the City, including the East Side Coastal Resiliency Project ("ESCR"). ESCR, which broke ground in 2021, is an integrated coastal flood protection system which will create resilient open spaces and improve waterfront access on Manhattan's east side, from East 25th Street at the north to Montgomery Street at the south. The City anticipates the entire flood protection system will be in place and operational by the end of 2026. The total expected cost of ESCR is \$1.97 billion, with remaining costs fully funded through a combination of City, federal and other funding sources.

Other projects in Lower Manhattan include constructing flood walls and deployable flip-up barriers to protect the Two Bridges neighborhood, developing a plan to extend the Manhattan shoreline from the Brooklyn Bridge to the Battery into the East River to protect the Seaport and Financial District area, and constructing an elevated waterfront esplanade in the Battery and flood barriers in Battery Park City. Coastal resilience projects are also underway in the Tottenville and Red Hook neighborhoods, and an energy resilience project is underway in Hunts Point, with shoreline reinforcement projects also happening in other identified areas of the City. These projects are in various stages of feasibility review, design, construction, and implementation. Funding for these projects is coming from City and federal sources, and \$529 million is included in the Preliminary Ten-Year Capital Strategy. As the projects proceed, the City continues to monitor anticipated costs and reflects updates in the capital plan as needed.

The U.S. Army Corps of Engineers ("USACE") is pursuing the South Shore of Staten Island Coastal Storm Risk Management Project (the "Staten Island Project") and the Rockaways Atlantic Shorefront and Bayside Projects (the "Rockaways Projects"). The Staten Island Project is expected to create a 5.5-mile line of coastal protection on Staten Island between Fort Wadsworth and Oakwood Beach. USACE currently estimates that the project will cost \$1.7 billion. The City is responsible for 10.5% of the project costs, and the remaining project costs are to be paid for with federal and State funds. Approximately half of the City's share of such project costs is currently reflected in the Ten-Year Capital Strategy. The Rockaways Projects consist of coastal protection elements on the Atlantic shorefront and on the Jamaica Bay side of the Rockaways. Construction has begun on the Atlantic Shorefront Project, which is fully funded by the federal government, with an expected cost of approximately \$590 million. Design has started on the Bayside Project, which is fully funded by the federal government, with a current expected cost of \$253 million.

In addition to site-specific resiliency projects, the City is taking steps to integrate climate resiliency into capital planning through the NYC Climate Resiliency Design Guidelines, which translate future-looking climate change projections into technical guidance to inform the design of roads, buildings, sewer systems, hospitals, public housing, and other pieces of critical public infrastructure. In 2021, the City began a five-year pilot program through which dozens of new projects will be designed and constructed using the standards in the NYC Climate Resiliency Design

Guidelines. Starting in 2027, all City projects will be required to meet a stringent set of requirements that will certify their preparedness for extreme weather threats.

In 2015, FEMA issued preliminary updated flood insurance rate maps, which would have expanded the 100-year floodplain beyond the areas designated in the flood maps issued in 2007. The City appealed the 2015 preliminary flood maps challenging the modeling FEMA used to develop them. The 2015 preliminary flood maps were adopted into the building code, but the prior 2007 flood maps remain in effect for flood insurance purposes. In 2016, FEMA agreed with the City's appeal, and the City is currently working with FEMA to update the maps. FEMA's new maps are expected to generally expand the 100-year floodplain from the 2007 flood maps and may cover different areas than the 2015 preliminary flood maps. FEMA expects to release preliminary flood maps in 2025 and expects the new flood maps to become effective in 2026 or 2027. Such expansion could negatively impact property values in those newly designated areas. In addition, an increase in areas of the City susceptible to flooding resulting from climate change could result in greater recovery costs to the City if flooding were to occur within such larger areas.

The City is committed to minimizing its own greenhouse gas emissions by reaching carbon neutrality by 2050. The City's efforts to reach such goal include promoting and investing in electrification, clean energy, energy efficiency, and sustainable transportation, and reducing energy use. Since 2014, the City has invested over \$900 million in more than 14,000 energy conservation measures across almost 2,900 buildings, comprising more than 70 percent of City government's building square footage. The investments have decreased energy use and reduced emissions by nearly 372,000 metric tons. The Preliminary Ten-Year Capital Strategy includes \$3.3 billion to continue this work to reduce energy use and greenhouse gas emissions.

Despite the efforts described above, the magnitude of the impact on the City's operations, economy, or financial condition from climate change is indeterminate and unpredictable. No assurance can be given that the City will not encounter more frequent and intense climate impacts such as hurricanes, tropical storms, cloudbursts, droughts, heatwaves or catastrophic sea level rise in the future, or that such risks will not have an adverse effect on the operations, economy or financial condition of the City.

Superfund Designations

On March 2, 2010, the United States Environmental Protection Agency ("EPA") listed the Gowanus Canal (the "Canal"), a waterway located in Brooklyn, as a federal Superfund site under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). EPA considers the City a potentially responsible party ("PRP") under CERCLA, based on contaminants from currently and formerly City-owned and operated properties, from the City's combined sewer overflows ("CSOs") as well as in connection with the City's ownership of portions of the Canal itself. On September 30, 2013, EPA issued the Record of Decision ("Canal ROD") for the Canal, setting forth requirements for dredging contaminated sediment in the Canal and covering it with a cap as well as source control requirements. Separate from the in-Canal remedy, the Canal ROD also requires that two CSO retention tanks be constructed as part of the source control component of the remedy. The City anticipates that the actual cleanup costs – including both the in-Canal portion and the CSO portion – will substantially exceed EPA's original cost estimate for the Canal ROD.

On May 28, 2014, EPA issued a unilateral administrative order ("2014 Unilateral Order") requiring the City to design the CSO retention tanks and other storm water control measures, and remediation of the First Street Basin (a currently filled-in portion of the Canal). On June 9, 2016, EPA and the City entered into an Administrative Settlement Agreement and Order ("Administrative Order"), under which the City agreed to milestones relating to the design of one of the CSO tanks. The City estimates that the tanks will cost approximately \$1.7 billion of which \$1.1 billion is committed and \$0.6 billion is included in the City's capital plan.

On March 29, 2021, EPA issued a unilateral administrative order (the "2021 Unilateral Order") to the City, requiring the City to complete design and construction of both CSO tanks by March 2029; to complete design and construction of a new bulkhead at the City-owned Salt Lot at 2nd Avenue in Brooklyn by August 2023; and to implement additional stormwater controls in the Canal sewershed. The City informed EPA that it would complete the design and construction of the CSO tanks as required in the 2021 Unilateral Order, but that it would likely be unable to meet the deadlines imposed in the 2021 Unilateral Order. Based on the concerns the City raised about the 2021 Unilateral Order, EPA modified the 2021 Unilateral Order in certain respects but declined to extend the design and

construction schedules. The 2021 Unilateral Order took effect on June 30, 2021. The City may be subject to penalties stemming from alleged violations of the 2014 Unilateral Order and the Administrative Order and may also be subject to fines and/or penalties stemming from the 2021 Unilateral Order if it does not meet the design and/or construction deadlines set forth therein.

On January 28, 2020, EPA issued a new unilateral order (the “2020 Unilateral Order”) to the six largest PRPs, including the City and National Grid, requiring these parties to implement the in-Canal remedy (consisting of dredging and capping of sediments) in the upper reach of the Canal. On June 27, 2024, EPA modified the 2020 Unilateral Order to include the middle reach of the Canal. In 2013 when it issued the Canal ROD, EPA estimated that the cost of this work, the first of the three phases, would be \$125 million. The City believes that these costs will be substantially higher. The City’s liability for the in-Canal work is unknown at this time and may ultimately be determined through litigation unless the City reaches a settlement with National Grid. National Grid filed a complaint against all PRPs with which it has not yet settled on October 3, 2024.

On September 27, 2010, EPA listed Newtown Creek, the waterway on the border between Brooklyn and Queens, New York, as a Superfund site. On April 6, 2010, EPA notified the City that EPA considers the City a PRP under CERCLA for hazardous substances in Newtown Creek. In its Newtown Creek PRP notice letter, EPA identified historical City activities that filled former wetlands and low-lying areas in and around Newtown Creek and releases from formerly City-owned and operated facilities, including municipal incinerators, as well as discharges from sewers and CSO outfalls, as potential sources of hazardous substances in Newtown Creek. In July 2011, the City entered into an Administrative Settlement Agreement and Order on Consent with EPA and five other PRPs to conduct an investigation of conditions in Newtown Creek and evaluate feasible remedies. The investigation and feasibility study for Newtown Creek is expected to proceed until 2027. The City’s share will be determined in a future allocation proceeding. The 2011 settlement does not cover any remedy that may ultimately be chosen by EPA to address the contamination identified as a result of the investigation and evaluation. In 2020, EPA issued a Record of Decision (“CSO ROD”) setting forth the remedy for CSO discharges. The CSO ROD requires no further action for CSO beyond the projects in the State-approved Newtown Creek CSO Long Term Control Plan. As part of its determination, EPA required monitoring of the City’s four major CSOs to confirm the assumptions underlying the CSO ROD. In September 2022, the City entered into an Administrative Settlement Agreement and Order on Consent with EPA concerning the performance of the required monitoring.

The National Park Service (“NPS”) is undertaking a CERCLA removal action at Great Kills Park on Staten Island to address radioactive contamination that has been detected at the site and in order to advance the Staten Island Project. Great Kills Park was owned by the City until roughly 1972, when it was transferred to NPS for inclusion in the Gateway National Recreation Area. While owned by the City, the site was used as a sanitary landfill, and the park was also expanded using urban fill. NPS believes that the radioactive contamination is the result of City activities and that the City is therefore liable for the investigation and remediation under CERCLA. Previously, the City negotiated a settlement with NPS to address a remedial investigation and feasibility study. No other PRPs have been identified at this time.

Under CERCLA, a responsible party may be held liable for monies expended for response actions at a Superfund site, including investigative, planning, removal, remedial and EPA enforcement actions. A responsible party may also be ordered by EPA to take response actions itself. Responsible parties include, among others, past or current owners or operators of a facility from which there is a release of a hazardous substance that causes the incurrence of response costs. The nature, extent, and cost of response actions at the Canal, Newtown Creek, or Great Kills Park, the contribution, if any, of discharges from the City’s sewer system or other municipal operations, and the extent of the City’s liability, if any, for monies expended for such response actions, will likely not be determined for several years and could be material.

Cybersecurity

The City relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private or sensitive information, the City and its agencies and offices face multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. The City’s Office of Cyber Command (“Cyber Command”), which was created in 2017, is charged with setting information security policies and standards for the City, directing the City’s citywide cyber

defense and incident response, deploying defensive technical and administrative controls and providing guidance to the Mayor and City agencies on cyber defense. In January 2022, Cyber Command became part of the City's Office of Technology and Innovation (formerly the Department of Information Technology and Telecommunications).

Cyber Command has over 100 full-time employees and works with designated cybersecurity contacts at each City agency as part of the Citywide Cybersecurity Program. The Financial Plan reflects funding for Cyber Command of \$113 million in fiscal year 2025 and approximately \$108 million in fiscal year 2026. Such funding does not account for cybersecurity funding at other City agencies. Cyber Command is built around two core cybersecurity functions: (1) threat management, which manages incident response and cyber threat intelligence and vulnerability management, which helps agencies prioritize remediation efforts on identified unpatched systems in the City's networks; and (2) security sciences, which manages strategic and tactical cyber defense technologies and initiatives.

In carrying out its functions, Cyber Command works with a range of City, State, and federal law enforcement agencies, including the New York City Police Department and the Federal Bureau of Investigation's Joint Terrorism Task Force. In February 2022, the City and the State, along with the mayors of Albany, Buffalo, Rochester, Syracuse, and Yonkers, unveiled the Joint Security Operations Center. The center has enhanced coordination of cybersecurity efforts across the State, helping to foster collaboration among city, State, and federal entities. Cyber Command also regularly works with other states and municipalities throughout the country to share cybersecurity threat intelligence and best practices, as well as with non-governmental entities such as utilities, telecommunications providers and financial services companies for the purpose of enhancing collective cyber defenses. The City has developed standard cybersecurity policies and standards for third party vendors of the City to follow, and security provisions for contracts with vendors, which help ensure that the City is notified of cyber breaches and suspected cyber breaches of a vendor's network environment. The City has also developed a Citywide Incident Response Policy, which requires City agencies to develop incident response plans in accordance with Cyber Command policies and standards.

While the City conducts periodic tests and reviews of its networks, no assurances can be given that such security and operational control measures will be successful in guarding against all cyber threats and attacks. New technical cyber vulnerabilities are discovered in the United States daily. In addition, cyber attacks have become more sophisticated and are increasingly capable of impacting municipal control systems and components. The techniques used to obtain unauthorized access to, or to disable or degrade, electronic networks, computers, systems and solutions are rapidly evolving and have become increasingly complex and sophisticated. In addition, there is heightened risk due to an increase in remote access to City systems by City employees as a result of the outbreak of COVID-19. As cybersecurity threats continue to evolve, the City may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks. The results of any successful attack on the City's computer and information technology systems could impact its operations and damage the City's digital networks and systems, and the costs of remedying any such damage could be substantial. Consistent with the City's general policy to self-insure, the City does not carry insurance against cyber attacks.

The NYC Vulnerability Disclosure Program (VDP) was expanded in October 2023. This program, developed in partnership with a security testing platform, broadens the scope of the City's efforts to identify and address vulnerabilities within its publicly accessible digital resources. By establishing guidelines, rules of engagement, and a secure channel for security researchers to send vulnerability submissions, the program complements existing Cyber Command initiatives, facilitating timely remediation of identified risks.

Financial Statements

The City's Annual Report for the fiscal year ended June 30, 2024 is included by specific reference in this Appendix as EXHIBIT B. Grant Thornton LLP, the City's independent auditor, has not reviewed, commented on or approved, and is not associated with, this Appendix. The report of Grant Thornton LLP relating to the City's financial statements for the fiscal years ended June 30, 2024 and 2023, which is a matter of public record, is included in the Annual Report for the fiscal year ended June 30, 2024, which is included by specific reference in this Appendix. However, Grant Thornton LLP has not performed any procedures on any financial statements or other financial information of the City, including without limitation any of the information contained, or included by specific reference, in this Appendix, since the date of such report and has not been asked to consent to the inclusion of its report in this Appendix.

Further Information

Orrick, Herrington & Sutcliffe LLP, New York, New York, Special Disclosure Counsel to the City, will pass upon certain legal matters in connection with the preparation of this Appendix. A description of those matters and the nature of the review conducted by that firm is set forth in its opinion and accompanying memorandum which are on file at the office of the Corporation Counsel.

The references herein to, and summaries of, provisions of federal, State and local laws, including but not limited to the State Constitution, the Financial Emergency Act and the City Charter, and documents, agreements and court decisions, including but not limited to the Financial Plan, are summaries of certain provisions thereof. Such summaries do not purport to be complete and are qualified in their entirety by reference to such acts, laws, documents, agreements or decisions, copies of which are available for inspection during business hours at the office of the Corporation Counsel.

Copies of the most recent financial plan submitted to the Control Board are at www.nyc.gov/omb. Copies of the published Annual Comprehensive Financial Reports of the Comptroller are available at www.comptroller.nyc.gov or upon written request to the Office of the Comptroller, Deputy Comptroller for Public Finance, Municipal Building, One Centre Street, New York, New York 10007 and are available on EMMA (<https://emma.msrb.org>). Financial plans are prepared quarterly, and the Annual Comprehensive Financial Report of the Comptroller is published at the end of October of each year, as required by the City Charter.

THE CITY OF NEW YORK

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ECONOMIC AND DEMOGRAPHIC INFORMATION

This section presents certain economic and demographic information about the City. All information is presented on a calendar year basis unless otherwise indicated. The data set forth are the latest available. Sources of information are indicated in the text or immediately following the tables. Although the City considers the sources to be reliable, the City has made no independent verification of the information provided by non-City sources and does not warrant its accuracy.

New York City Economy

The City has a diversified economic base, with a substantial volume of business activity in the financial, professional services, education, healthcare, hospitality, wholesale and retail trade, information services, and technology industries, and is the location of many securities, banking, law, accounting, media, and advertising firms.

The City is a major seaport and focal point for international business. Many of the major corporations headquartered in the City are multinational in scope and have extensive foreign operations. Numerous foreign-owned companies in the United States are also headquartered in the City. These firms are found in all sectors of the City's economy, but are concentrated in trade, professional and business services, tourism and finance. The City is the location of the headquarters of the United Nations and several affiliated organizations maintain their principal offices in the City. A large diplomatic community exists in the City to staff the missions to the United Nations and the foreign consulates. No single assessed property in the City accounts for more than 0.5% of the City's real property tax revenue.

Economic activity in the City has experienced periods of growth and recession and can be expected to experience periods of growth and recession in the future. The City experienced a recession in the early 1970s through the middle of that decade, followed by a period of expansion in the late 1970s through the late 1980s. The City fell into recession again in the early 1990s which was followed by an expansion that lasted until 2001. The economic slowdown that began in 2001 as a result of the September 11 attack, a national economic recession, and a downturn in the securities industry came to an end in 2003. Subsequently, Wall Street activity, tourism and the real estate market drove a broad-based economic recovery through most of 2007. The financial crisis spurred by the collapse of the housing market and subsequent Great Recession brought the expansion to a halt in 2008. By 2010, the City began to recover and enjoyed a robust 10-year economic expansion. Beginning in 2020, the City encountered significant challenges to its economy as a result of the COVID-19 pandemic.

The reduction in business activity, travel and tourism resulting from the COVID-19 pandemic had a severe impact on the City's retail, cultural, hospitality and entertainment sectors and unemployment rates throughout the City increased substantially. However, employment in the City has recovered to above pre-pandemic levels. Certain real estate sectors sustained losses as a result of the business distress caused by COVID-19 and increased numbers of employees working from home stressed the City's office market, which has been recovering slowly but steadily since early 2024.

Uncertainties remain for commercial office markets as future demand may depend on decisions of major office tenants regarding density, remote work and relocation of operations out of the City. Personal income tax revenue projections could be negatively affected by changes in employment and earnings including, but not limited to, changes in residency status resulting from remote work or permanent relocation outside the City of individuals with high incomes (the highest 1% of earners accounted for approximately 42.4% of total personal income tax revenues in calendar year 2020).

The United States Department of Commerce Bureau of Economic Analysis produces measures of Gross Domestic Product ("GDP") by metropolitan area. The New York metropolitan area – defined geographically as New York City; Long Island; the Lower Hudson Valley, New York; parts of Northern and Central New Jersey; and Pike County Pennsylvania – is the largest metropolitan economy in the United States.

	TOP TEN GDP BY METROPOLITAN AREA					GDP PER CAPITA
	(millions of current dollars)					
	2019	2020	2021	2022	2023	2023
United States (metropolitan areas).....	\$19,395,789	\$19,273,892	\$21,297,223	\$23,302,612	\$24,910,942	\$ 86,087
New York-Newark-Jersey City, NY-NJ-PA.....	1,885,803	1,861,308	2,025,175	2,171,528	2,298,868	117,532
Los Angeles-Long Beach-Anaheim, CA	1,065,710	1,035,819	1,136,155	1,235,920	1,295,361	101,207
Chicago-Naperville-Elgin, IL-IN-WI.....	728,632	700,008	770,533	845,187	894,862	94,892
San Francisco-Oakland-Berkeley, CA	610,192	616,887	702,995	731,716	778,878	170,546
Dallas-Fort Worth-Arlington, TX	545,968	546,543	612,229	692,795	744,654	91,932
Washington-Arlington-Alexandria, DC-VA-MD-WV ..	572,690	573,265	618,527	664,614	714,685	111,429
Houston-The Woodlands-Sugar Land, TX	507,655	494,381	557,324	645,755	696,999	93,165
Boston-Cambridge-Newton, MA-NH.....	484,475	489,015	537,634	575,763	610,486	124,103
Atlanta-Sandy Springs-Alpharetta, GA.....	446,655	438,872	483,529	534,308	570,663	90,691
Seattle-Tacoma-Bellevue, WA.....	429,485	438,754	483,613	515,993	566,742	140,115

Source: U.S. Bureau of Economic Analysis

Personal Income

From 2014 through 2023 (the most recent year for which City personal income data are available), total personal income, unadjusted for the effects of inflation, grew at a compounded annual average rate of 4.5% and 5.2% for the City and the nation, respectively. The City's total personal income per capita grew at a compounded annual average rate of 5.1% per year for the same period. In 2023, total personal income per capita in the City exceeded that of the U.S. by 29%. The following table sets forth information regarding personal income in the City and the U.S. from 2014 to 2023.

PERSONAL INCOME⁽¹⁾

Year	Total City (\$ billions)	Per Capita ⁽²⁾ City	Per Capita U.S.	Per Capita City as a Percent of U.S.
2014.....	\$ 499.2	\$ 57,683	\$ 46,287	125%
2015.....	522.4	59,798	48,060	124
2016.....	547.3	62,223	48,971	127
2017.....	593.2	67,281	51,004	132
2018.....	614.3	69,598	53,309	131
2019.....	627.4	71,112	55,566	128
2020.....	650.0	74,372	59,123	126
2021.....	696.4	82,300	64,460	128
2022.....	704.1	84,466	66,244	128
2023.....	744.5	90,149	69,810	129

Sources: U.S. Department of Commerce, Bureau of Economic Analysis ("BEA") and the Bureau of the Census.

- (1) In current dollars. Personal Income is based on the place of residence and is measured from income which includes wages and salaries, supplements to wages and salaries, proprietors' income, personal dividend income, personal interest income, rental income of persons and transfer payments.
- (2) Personal Income per capita estimates for 2014 to 2019 reflect BEA's population estimates, which are tied to the Census Bureau's decennial counts for 2010 and 2020. Personal Income per capita for 2020 to 2023 reflects Census Bureau midyear population estimates available as of March 2024.

Employment Trends

The City is a leading center for the banking and securities industry, education, healthcare, life insurance, communications, publishing, fashion design, technology, information services, hospitality and retail fields. Over time, the City has experienced numerous business cycles. For example, from 2003 to 2008, the City added 257,600 private sector jobs (growth of 9%). From 2008 to 2009, the City lost 103,200 private sector jobs (decline of 3%). From 2009 to 2019, the City added 918,400 private sector jobs (growth of 29%). From 2019 to 2020, the City lost 496,000 private sector jobs, primarily due to the COVID-19 pandemic. From 2020 to 2024, the City added 621,025 private sector jobs (growth of 17%). All such changes are based on average annual employment levels through and including the years referenced. As of February 2025, total employment in the City was 4,803,700 compared to 4,720,000 in February

2024 (growth of 1.8%) based on data provided by the New York State Department of Labor, which are not seasonally adjusted.

The table below shows the distribution of employment in New York City from 2015 to 2024.

EMPLOYMENT DISTRIBUTION

	2015	2016	2017	Average Annual Employment (In thousands)				2022	2023	2024
				2018	2019	2020	2021			
Goods Producing Sectors										
Construction	139.4	147.3	152.5	158.9	161.3	138.9	141.2	143.2	143.6	143.1
Manufacturing	78.5	76.9	74.1	71.3	68.1	52.9	54.6	57.8	57.3	55.2
Service-Producing Sectors										
Trade Transportation and Utilities	629.7	629.7	633.3	635.4	636.4	537.1	551.2	585.8	586.0	581.2
Information	195.0	199.8	207.4	213.1	220.6	207.9	221.0	238.4	224.1	225.0
Financial Activities	459.2	466.2	469.4	477.0	485.1	471.1	466.1	488.2	502.3	507.5
Professional and Business Services.....	689.0	708.9	726.2	746.1	772.3	711.0	722.3	786.5	795.1	800.1
Education and Health Services.....	898.1	930.1	963.6	1,008.3	1,055.4	1,009.8	1,045.1	1,104.8	1,172.5	1,252.6
Leisure and Hospitality	429.4	441.9	458.8	464.4	468.1	275.7	306.0	402.2	435.6	444.8
Other Services	186.1	190.7	192.3	193.7	195.7	162.5	168.0	176.9	178.0	178.5
Total Private	3,704.3	3,791.4	3,877.4	3,968.2	4,063.0	3,567.0	3,675.4	3,983.8	4,094.5	4,188.0
Government	586.0	590.9	592.7	593.3	596.4	595.6	583.4	583.7	589.7	599.4
Total	4,290.3	4,382.3	4,470.1	4,561.5	4,659.5	4,162.6	4,258.8	4,567.5	4,684.2	4,787.5

Note: Totals may not add due to rounding or subsector disclosure limitations.

Source: New York State Department of Labor's Current Employment Statistics ("CES"). Data are presented using the North American Industry Classification System ("NAICS"). Not seasonally adjusted.

Sectoral Distribution of Employment and Earnings

In 2023, the City's service-producing sectors provided approximately 3.9 million jobs and accounted for approximately 83% of total employment. Employment levels in the service-producing sectors affect the total earnings as well as the average wage per employee because employee compensation in certain of those sectors, such as financial activities and professional and business services, tends to be considerably higher than in most other sectors. Moreover, average wage rates in these sectors are significantly higher in the City than in the nation. In the City in 2023, the employment share for the financial activities and professional and business services sectors was approximately 28% while the earnings share for those same sectors was approximately 46%. In the nation, those same service producing sectors accounted for approximately 20% of employment and 28% of earnings in 2023. Due to the earnings distribution in the City, sudden or large shocks in the financial markets may have a disproportionately adverse effect on the City relative to the nation.

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The City's and the nation's employment and earnings by sector for 2023 are set forth in the following table.

SECTORAL DISTRIBUTION OF EMPLOYMENT AND EARNINGS IN 2023⁽¹⁾

	Employment		Earnings ⁽²⁾	
	NYC	U.S.	NYC	U.S.
Goods-Producing Sectors				
Mining and Logging	0.0%	0.4%	0.3%	1.4%
Construction	3.1	5.1	2.5	6.1
Manufacturing	1.2	8.3	0.9	8.9
Total Goods-Producing	4.3%	13.8%	3.7%	16.5%
Service-Producing Sectors				
Trade, Transportation and Utilities	12.5%	18.5%	9.2%	15.5%
Information	4.8	1.9	8.4	3.8
Financial Activities	10.7	5.9	25.1	9.6
Professional and Business Services	17.0	14.6	21.1	18.6
Education and Health Services	25.0	16.3	12.9	12.9
Leisure and Hospitality	9.3	10.6	5.5	4.9
Other Services	3.8	3.7	2.5	3.4
Total Service-Producing	83.1%	71.6%	84.8%	68.7%
Total Private Sector	87.4%	85.4%	88.8%	85.2%
Government	12.6%	14.6%	11.2%	14.8%

Note: Data may not add due to rounding or subsector disclosure limitations. Data are presented using NAICS.

Sources: The Employment data are sourced from the New York State Department of Labor's CES. Earnings data are sourced from the New York State Department of Labor; the U.S. Department of Labor, Bureau of Labor Statistics; and the U.S. Department of Commerce, Bureau of Economic Analysis.

(1) The sectoral distributions are obtained by dividing each industry's employment or earnings by total non-agricultural employment or earnings.

(2) Includes the sum of wage and salary disbursements, other labor income, and proprietors' income. The latest information available is 2023 data.

Unemployment

As of February 2025, the total unemployment rate in the City was 5.3%, up from 4.9% in February 2024, based on data provided by the New York State Department of Labor, which are seasonally adjusted.

The seasonally adjusted monthly unemployment rate of the City's resident labor force for 2023, 2024 and the first two months of 2025 is shown in the following table.

MONTHLY UNEMPLOYMENT RATE⁽¹⁾

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2023	5.3	5.2	5.2	5.1	5.0	4.9	4.9	4.9	4.9	4.9	4.9	4.9
2024	4.9	4.9	4.9	5.0	5.2	5.3	5.4	5.5	5.5	5.6	5.6	5.6
2025	5.5	5.3										

Source: New York State Department of Labor and U.S. Department of Labor, Bureau of Labor Statistics.

(1) Percentage of civilian labor force unemployed: excludes those persons unable to work and discouraged workers (i.e., persons not actively seeking work because they believe no suitable work is available).

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The average annual unemployment rate of the resident labor force of the City and of the United States, from 2015 through 2024, is shown in the following table.

ANNUAL UNEMPLOYMENT RATE⁽¹⁾
(Average Annual)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
New York City	5.6	5.2	4.5	4.1	4.0	12.2	10.1	5.7	5.0	5.3
United States	5.3	4.9	4.4	3.9	3.7	8.1	5.3	3.6	3.6	4.0

Source: New York State Department of Labor and U.S. Department of Labor, Bureau of Labor Statistics.

⁽¹⁾ Percentage of civilian labor force unemployed: excludes those persons unable to work and discouraged workers (i.e., persons not actively seeking work because they believe no suitable work is available).

Public Assistance

As of December 2024, the number of persons receiving cash public assistance in the City was 584,554, compared to 499,552 in December 2023. The following table sets forth the annual average number of persons receiving cash public assistance in the City.

PUBLIC ASSISTANCE

(Annual Averages in Thousands)

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
361.9	370.5	366.3	356.1	334.7	363.7	372.3	424.9	478.9	514.4

Taxable Sales

The City is a major retail trade market with the greatest volume of retail sales of any city in the nation. The sales tax is levied on a variety of economic activities including retail sales, utility and communication sales, services and manufacturing. Taxable sales and purchases reflects data from the State Department of Taxation and Finance publication "Taxable Sales and Purchases, County and Industry Data." The yearly data presented in this paragraph and the table below cover the period from March 1 of the year prior to the listed year through the last day of February of the listed year. Between 2015 and 2020, total taxable sales volume growth rate averaged 4.6%, primarily due to an increase in consumption as a result of local employment gains and the local and national economic recoveries. In 2021, total taxable sales declined 23.2% due to the COVID-19 pandemic, but rebounded in 2022 and grew by 17.2% in 2023.

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The following table illustrates the volume of sales and purchases subject to the sales tax from 2015 to 2024.

**TAXABLE SALES AND PURCHASES SUBJECT TO SALES TAX
(In Billions)**

State Fiscal Year⁽¹⁾	Retail⁽²⁾	Utility & Communication Sales⁽³⁾	Services⁽⁴⁾	Manufacturing	Other⁽⁵⁾	Total
2015	\$47.4	\$23.1	\$47.5	\$5.8	\$21.9	\$145.7
2016	47.8	22.1	51.1	5.7	23.2	149.9
2017	48.3	22.8	53.1	6.1	25.2	155.5
2018	49.8	23.2	55.4	6.8	27.4	162.4
2019	52.1	24.1	58.5	7.1	30.5	172.3
2020	55.4	25.5	61.1	7.6	33.0	182.6
2021	48.8	26.6	31.1	7.9	25.7	140.2
2022	62.4	29.6	50.6	8.1	33.1	183.8
2023	58.4	19.8	68.0	9.0	60.5	215.6
2024	58.2	21.4	72.5	8.9	62.8	223.8

Source: State Department of Taxation and Finance publication "Taxable Sales and Purchases, County and Industry Data." Totals may not add due to rounding. Data are presented using NAICS, and, for years 2023 and 2024, reflect the NAICS 2022 redefinitions.

(1) The yearly data are for the period from March 1 of the year prior to the listed year through the last day of February of the listed year.

(2) Retail sales include building materials, general merchandise, food, auto dealers/gas stations, apparel, furniture, eating and drinking and miscellaneous retail.

(3) Utility and Communication Sales include both residential and non-residential electric, and residential and non-residential gas and communication.

(4) Services include business services, hotel occupancy services (stays for the first 90 days), and other services (auto repair, parking and others).

(5) Other includes construction, wholesale trade, arts, entertainment and recreation, and others. Also included in Other are local tax base components of City taxable sales and purchases which include Manhattan parking services, hotel occupancy services (stays from 91 to 180 days), and miscellaneous services (credit rating and reporting services, miscellaneous personal services, and other services).

Population

The City has been the most populous city in the United States since 1790. The City's population is larger than the combined populations of Los Angeles and Chicago, the two next most populous cities in the nation.

POPULATION

Year	Total Population
1970	7,894,862
1980	7,071,639
1990	7,322,564
2000	8,008,278
2010	8,175,133
2020	8,804,190

Note: Figures do not include an undetermined number of undocumented persons.

Source: U.S. Department of Commerce, Bureau of the Census.

The United States Census Bureau estimates the City's population to be 8,478,072 as of July 2024.

The following table sets forth the distribution of the City's population by age in 2010 and 2020.

DISTRIBUTION OF POPULATION BY AGE

<u>Age</u>	<u>2010</u>		<u>2020</u>	
		<u>% of Total</u>		<u>% of Total</u>
Under 5	517,724	6.3	475,637	5.4
5 to 17	1,250,387	15.3	1,264,505	14.4
18 to 24	869,344	10.6	829,167	9.4
25 to 34	1,392,445	17.0	1,570,023	17.8
35 to 44	1,154,687	14.1	1,227,752	13.9
45 to 64	1,997,388	24.4	2,126,882	24.2
65 and Over	993,158	12.1	1,310,224	14.9

Source: U.S. Department of Commerce, Bureau of the Census.

Housing

In 2023, the housing stock in the City consisted of approximately 3,705,000 housing units, excluding certain special types of units primarily in institutions such as hospitals and universities ("Housing Units") according to the 2023 Housing and Vacancy Survey Selected Initial Findings, released February 8, 2024. The 2023 housing inventory represented an increase of approximately 61,000 units, or 1.7%, since 2021. The 2023 Housing and Vacancy Survey indicates that rental housing units continue to predominate in the City. Of all occupied housing units in 2023, approximately 32.3% were conventional home-ownership units, cooperatives or condominiums and approximately 67.7% were rental units. The following table presents trends in the housing inventory in the City.

HOUSING INVENTORY (In Thousands)

<u>Ownership/Occupancy Status</u>	<u>1996</u>	<u>1999</u>	<u>2002</u>	<u>2005</u>	<u>2008</u>	<u>2011</u>	<u>2014</u>	<u>2017</u>	<u>2021</u>	<u>2023</u>
Total Housing Units	2,995	3,039	3,209	3,261	3,328	3,352	3,400	3,469	3,644	3,705
Owner Units	858	932	997	1,032	1,046	1,015	1,033	1,038	1,017	1,118
Owner-Occupied	834	915	982	1,010	1,019	984	1,015	1,006	986	1,109
Vacant for Sale	24	17	15	21	26	31	18	32	30	9
Rental Units	2,027	2,018	2,085	2,092	2,144	2,173	2,184	2,183	2,274	2,357
Renter-Occupied	1,946	1,953	2,024	2,027	2,082	2,105	2,109	2,104	2,171	2,324
Vacant for Rent	81	64	61	65	62	68	75	79	103	33
Vacant Not Available for Sale or Rent ⁽¹⁾	110	89	127	137	138	164	183	248	353	230

Note: Details may not add up to totals due to rounding.

Sources: U.S. Bureau of the Census, 1996, 1999, 2002, 2005, 2008, 2011, 2014, 2017, 2021 and 2023 New York City Housing and Vacancy Surveys.

(1) Vacant units.

**EXHIBIT B
TO
APPENDIX L**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

The Annual Report for the fiscal year ended June 30, 2024 is included by specific reference in this Appendix as Exhibit B. The report of Grant Thornton LLP relating to the City's financial statements for the fiscal years ended June 30, 2024 and 2023, which is a matter of public record, is included in the Annual Report for the fiscal year ended June 30, 2024, which is included by specific reference in this Appendix. However, Grant Thornton LLP has not performed any procedures on any financial statements or other financial information of the City, including without limitation any of the information contained in this Appendix, since the date of such report and has not been asked to consent to the inclusion of its report in this Appendix.

The Annual Report for the fiscal year ended June 30, 2024 is available for inspection at the Office of the City Comptroller and at <https://comptroller.nyc.gov/reports/annual-comprehensive-financial-reports/> and is available on EMMA (<https://emma.msrb.org>).

**EXHIBIT C
TO
APPENDIX L**

VARIABLE RATE BONDS

Variable Rate Demand Bonds

Series	Outstanding Principal Amount	Facility Provider⁽¹⁾	Facility Expiration⁽²⁾
2006I-8	\$50,000,000	State Street Bank and Trust Company	May 26, 2027
2008L-3	80,000,000	Bank of America, N.A.	July 29, 2027
2008L-4	100,000,000	US Bank, N.A.	June 8, 2026
2010G-4	150,000,000	Barclays Bank, PLC	March 29, 2027
2012A-4	100,000,000	Sumitomo Mitsui Banking Corporation	March 2, 2028
2012D-3A ⁽³⁾	76,665,000	The Bank of New York Mellon	October 27, 2025
2012G-6	106,945,000	Mizuho Bank, Ltd.	March 15, 2027
2013A-2	100,000,000	Mizuho Bank, Ltd.	October 8, 2027
2013A-3	100,000,000	Mizuho Bank, Ltd.	October 8, 2027
2013A-4	75,000,000	Sumitomo Mitsui Banking Corporation	October 15, 2025
2013A-5	50,000,000	Sumitomo Mitsui Banking Corporation	October 15, 2025
2013F-3	180,000,000	Bank of America, N.A.	March 13, 2026
2014D-4	100,000,000	TD Bank, N.A.	September 30, 2027
2014D-5	75,000,000	PNC Bank, National Association	October 10, 2025
2014I-2	100,000,000	JPMorgan Chase Bank, N.A.	March 22, 2030
2014I-3 ⁽⁴⁾	200,000,000	Citibank, N.A.	August 12, 2025
2015F-5	100,000,000	Barclays Bank, PLC	June 18, 2027
2015F-6	100,000,000	JPMorgan Chase Bank, N.A.	June 17, 2027
2017A-4 ⁽⁴⁾	200,000,000	Citibank, N.A.	August 15, 2025
2017A-5	81,000,000	JPMorgan Chase Bank, N.A.	July 31, 2026
2017A-6	50,000,000	JPMorgan Chase Bank, N.A.	July 31, 2026
2017A-7	50,000,000	BMO	August 15, 2025
2018B-4	100,000,000	Barclays Bank, PLC	October 1, 2025
2018B-5	100,000,000	Barclays Bank, PLC	October 1, 2025
2018E-5	50,000,000	TD Bank, N.A.	September 30, 2027
2019D-4	150,000,000	State Street Bank and Trust Company	January 19, 2028
2022D-3	200,000,000	State Street Bank and Trust Company	May 26, 2027
2022D-4	100,000,000	State Street Bank and Trust Company	May 26, 2027
2023A-3	200,000,000	BMO	September 8, 2025
2023A-4	100,000,000	TD Bank, N.A.	September 8, 2027
	<u>\$3,224,610,000</u>		

Index Rate Bonds⁽⁵⁾

Series	Outstanding Principal Amount	Step up Date
2012A-5.....	\$ 50,000,000	June 28, 2026
2012D-3B.....	50,000,000	June 28, 2026
2015F-7	50,000,000	June 28, 2026
2018E-4	200,000,000	February 27, 2026
2025C-3.....	300,000,000	September 10, 2029
	<u>\$650,000,000</u>	

Adjustable Rate Remarketed Securities^{SM(6)}

Series	Outstanding Principal Amount
2020B-3	\$ 100,000,000
2021-2	129,675,000
2021-3	129,675,000
	<u>\$ 359,350,000</u>

Auction Rate Bonds

Series	Outstanding Principal Amount
Various	\$ 144,275,000

- (1) Each series of variable rate demand bonds is supported by a facility in the form of a letter of credit or standby bond purchase agreement with the identified facility provider.
- (2) The City expects to renew or replace any expiring letter of credit or standby bond purchase agreement on or prior to its expiration date or convert the related bonds to another interest rate mode.
- (3) Expected to be converted to fixed rate or otherwise redeemed in April 2025.
- (4) The City expects to replace the letter of credit with a standby bond purchase agreement and reoffer the bonds on April 22, 2025.
- (5) The City's index rate bonds pay interest based on a specified index. Such bonds also provide for an increased rate of interest commencing on an identified step-up date if such bonds are not converted or refunded.
- (6) The City's Adjustable Rate Remarketed SecuritiesSM provide for an increased rate of interest if tendered bonds cannot be remarketed for a specified number of days.

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**UNITED NATIONS DEVELOPMENT CORPORATION (A PUBLIC BENEFIT CORPORATION OF THE STATE OF NEW YORK)
2025 BONDS, SERIES A (FEDERALLY TAXABLE)**



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