

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications described herein, interest on the Series 2020A PILOT Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Interest on the Series 2020B PILOT Bonds is not excluded from gross income for federal income tax purposes under the Code. Bond Counsel is further of the opinion that, under existing law, interest on the Series 2020 PILOT Bonds is, by virtue of the Act, exempt from personal income taxation imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS – SERIES 2020A PILOT BONDS" and "TAX MATTERS – SERIES 2020B PILOT BONDS" herein regarding certain other tax considerations.

**\$927,275,000**

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY  
PILOT REVENUE REFUNDING BONDS  
(YANKEE STADIUM PROJECT)**

**\$811,255,000**  
**Series 2020A**

**\$116,020,000**  
**Series 2020B**  
**(Federally Taxable)**

**Dated: Date of Delivery****Due: As shown on the inside cover**

The New York City Industrial Development Agency (the "Issuer" or "Agency") is issuing \$811,255,000 aggregate principal amount of its PILOT Revenue Refunding Bonds, Series 2020A (Yankee Stadium Project) (the "Series 2020A PILOT Bonds") and \$116,020,000 aggregate principal amount of its PILOT Revenue Refunding Bonds, Series 2020B (Yankee Stadium Project) (Federally Taxable) (the "Series 2020B PILOT Bonds" and together with the Series 2020A PILOT Bonds, the "Series 2020 PILOT Bonds"), which are payable from certain payments in lieu of real property taxes in accordance with resolutions of the Council of The City of New York Nos. 1214-2005 and 0259-2006 (the "City Resolutions") and issued and secured under and pursuant to a Master PILOT Indenture of Trust, dated as of August 1, 2006 (the "Master PILOT Indenture"), by and between the Issuer and The Bank of New York Mellon, as trustee (the "Bond Trustee"), as heretofore supplemented and amended, as further supplemented and amended by a Fourth Supplemental PILOT Indenture of Trust, dated as of September 1, 2020, authorizing the issuance of the Series 2020 PILOT Bonds (the "Fourth Supplemental PILOT Indenture;" the Master PILOT Indenture as so supplemented and amended is referred to herein as the "PILOT Indenture"), by and between the Issuer and the Bond Trustee.

The proceeds of the Series 2020 PILOT Bonds will be used to (i) refund a portion of the Issuer's outstanding PILOT Revenue Bonds, Series 2006 (Yankee Stadium Project) (the "Series 2006 PILOT Bonds") and a portion of the PILOT Revenue Bonds, Series 2009A (Yankee Stadium Project) (the "Series 2009 PILOT Bonds") (such refunded portions, the "Refunded PILOT Bonds"); (ii) fund the principal on, and the Regularly Scheduled Swap Payment with respect to, the Series 2006 PILOT Bonds maturing on March 1, 2021; (iii) fund a deposit to the Series 2006 PILOT Bonds Principal Prepayment Subaccount in the PILOT Bonds Special Reserve Account sufficient to pay the principal amount of the Series 2006 PILOT Bonds maturing on March 1, 2022 and 2023 and a portion of the principal amount of the Series 2006 PILOT Bonds maturing on March 1, 2024 at their respective maturity dates; (iv) fund certain reserves including through the deposit of one or more surety policies as described herein; and (v) pay costs of issuance of the Series 2020 PILOT Bonds including payment of the premium for the Policy described below. The proceeds of the Series 2006 PILOT Bonds and Series 2009 PILOT Bonds were used together with other funds to pay a portion of the costs associated with the design, development, acquisition, construction and fitting out of Yankee Stadium (the "Stadium") located on a parcel of real property (the "Site") owned by The City of New York (the "City") in the Bronx, New York. The Stadium is owned by the Issuer, was constructed by Yankee Stadium LLC (the "Company"), as agent of the Issuer, and is used by the New York Yankees Major League Baseball team.

The Series 2020A PILOT Bonds and the Series 2020B PILOT Bonds will respectively constitute the third and fourth series of PILOT Bonds (herein defined) issued under the PILOT Indenture. On August 22, 2006, the Issuer issued the Series 2006 PILOT Bonds and on February 5, 2009, the Issuer issued the Series 2009 PILOT Bonds. The Series 2006 PILOT Bonds, the Series 2009 PILOT Bonds, the Series 2020 PILOT Bonds and any other additional bonds secured by PILOT Revenues under the PILOT Indenture are collectively referred to herein as the "PILOT Bonds."

The PILOT Bonds, including the Series 2020 PILOT Bonds, are special limited obligations of the Issuer, payable from and secured equally and ratably by: (i) the PILOT Revenues; (ii) all right, title and interest of the Issuer in and to the Funds and Accounts under the PILOT Indenture (other than the PILOT Bonds Renewal Fund, the PILOT Bonds Rebate Fund and the Series 2006 PILOT Bonds Principal Prepayment Subaccount in the PILOT Bonds Special Reserve Account), including, for each Series, the related PILOT Bonds Debt Service Reserve Fund Subaccount of the PILOT Bonds Debt Service Reserve Fund Account; and (iii) all right, title and interest of the Bond Trustee in the Debt Service and Reimbursement Fund under the Amended and Restated PILOT Assignment and Escrow Agreement, originally dated as of August 1, 2006 and amended and restated as of September 1, 2020 (as so amended and restated, the "PILOT Assignment"), among the Issuer, the Bond Trustee, The Bank of New York Mellon, as PILOT Trustee (the "PILOT Trustee") and the City. PILOT Revenues, which are comprised of payments in lieu of real property taxes on account of the Stadium and the Site, are derived from payments made by the Company to the Issuer ("PILOTs") under the Payment-In-Lieu-of-Tax Agreement, dated as of August 1, 2006, as amended by Amendment No. 1 to Payment-In-Lieu-of-Tax Agreement, dated January 16, 2009 and Amendment No. 2 to Payment-In-Lieu-of-Tax Agreement dated as of February 1, 2009 (as so amended, the "PILOT Agreement"), among the Issuer, the Company and the City. Under the City Resolutions, the City has authorized (i) the application of PILOTs to the payment of debt service on the PILOT Bonds and certain other costs associated with the PILOT Bonds and the Stadium and (ii) the assignment of PILOTs to the Bond Trustee in accordance with the terms of resolutions of the Issuer adopted on July 11, 2006, January 16, 2009 and July 28, 2020. Subject to the provisions of the PILOT Indenture, from time to time, additional PILOT Bonds may be issued on a parity with the other outstanding PILOT Bonds, including the Series 2020 PILOT Bonds.

The scheduled payment of principal of and interest on the Series 2020A PILOT Bonds maturing on March 1 in the years 2028 through and including 2040, March 1, 2045 (with a yield of 2.49%) and March 1, 2049 (with a yield of 2.90%) and the Series 2020B PILOT Bonds (collectively, the "Insured Series 2020 PILOT Bonds") when due will be guaranteed under the municipal bond insurance policy (the "Policy") to be issued concurrently with the delivery of the Insured Series 2020 PILOT Bonds by Assured Guaranty Municipal Corp. ("AGM" or the "Insurer").



The Series 2020 PILOT Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York, in denominations of \$5,000 with respect to the Series 2020A PILOT Bond and in denominations of \$1,000 with respect to the Series 2020B PILOT Bonds. The interest of the beneficial owners of the Series 2020 PILOT Bonds will be represented by book entries on the records of the participating members of DTC. The inside cover pages contain information relating to the maturity dates, principal amounts, interest rates, prices or yields and CUSIP numbers for the Series 2020 PILOT Bonds.

The Series 2020 PILOT Bonds are subject to redemption prior to maturity and purchase in lieu of redemption as described herein.

Interest on the Series 2020 PILOT Bonds will be payable on each March 1 and September 1, commencing March 1, 2021.

This cover page and the inside cover hereof contain certain information for quick reference only and are not intended to be a summary of the security for, or the terms of, the Series 2020 PILOT Bonds. Investors are instructed to read this entire Official Statement to obtain information essential to making an informed investment decision.

**Investment in the Series 2020 PILOT Bonds involves certain risks as described herein. See "RISK FACTORS AND INVESTMENT CONSIDERATIONS" for a discussion of certain risks.**

**THE SERIES 2020 PILOT BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM, AND SECURED BY, PILOT REVENUES DERIVED FROM PILOTs PAID BY THE COMPANY PURSUANT TO THE PILOT AGREEMENT AND CERTAIN FUNDS AND ACCOUNTS HELD UNDER THE PILOT INDENTURE. NEITHER THE STATE OF NEW YORK NOR THE CITY OF NEW YORK IS OR SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE SERIES 2020 PILOT BONDS AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK OR THE CITY OF NEW YORK IS PLEDGED TO SUCH PAYMENT. THE ISSUER HAS NO TAXING POWER.**

**THE SERIES 2020 PILOT BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE COMPANY, NEW YORK YANKEES PARTNERSHIP, THE NEW YORK YANKEES MAJOR LEAGUE BASEBALL TEAM OR ANY OF THEIR RESPECTIVE AFFILIATES. THE SERIES 2020 PILOT BONDS ARE NOT SECURED BY ANY INTEREST IN THE STADIUM NOR ANY PROPERTY OF OR INTEREST IN THE COMPANY, NEW YORK YANKEES PARTNERSHIP, THE NEW YORK YANKEES MAJOR LEAGUE BASEBALL TEAM OR ANY OF THEIR RESPECTIVE AFFILIATES.**

The Series 2020 PILOT Bonds are offered, when, as and if issued, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Nixon Peabody LLP, New York, New York, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Company by its counsel, Herrick, Feinstein LLP New York, New York; for the Issuer by its General Counsel; and for the Underwriters by their counsel, Katten Muchin Rosenman LLP, New York, New York. It is expected that delivery of the Series 2020 PILOT Bonds will take place through the facilities of DTC on or about October 6, 2020.

**Goldman Sachs & Co. LLC**

**Estrada Hinojosa  
Ramirez & Co., Inc.**

**Loop Capital Markets**

**Siebert Williams Shank & Co., LLC  
Stern Brothers & Co.**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS**

**\$811,255,000**  
**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY**  
**PILOT REVENUE REFUNDING BONDS, SERIES 2020A**  
**(YANKEE STADIUM PROJECT)**

<b>Maturity Date (March 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP Number<sup>2</sup></b>
2028*	\$21,190,000	5.000%	1.370%	64971PJY2
2029*	30,750,000	5.000	1.530	64971PJZ9
2030*	32,320,000	5.000	1.670	64971PKA2
2031*	31,825,000	4.000	1.830 <sup>1</sup>	64971PKB0
2032*	33,205,000	4.000	1.930 <sup>1</sup>	64971PKC8
2036*	37,225,000	3.000	2.560 <sup>1</sup>	64971PKD6
2037*	38,395,000	2.500	2.690	64971PKE4
2038*	39,540,000	3.000	2.640 <sup>1</sup>	64971PKF1
2039*	40,815,000	3.000	2.680 <sup>1</sup>	64971PKG9
2040*	32,495,000	3.000	2.710 <sup>1</sup>	64971PKH7

\$103,705,000 4.000% Term Bond due March 1, 2045, Yield 2.730%<sup>1</sup>, CUSIP<sup>2</sup>: 64971PKL8

\$132,230,000 4.000% Term Bond due March 1, 2045\*, Yield 2.490%<sup>1</sup>, CUSIP<sup>2</sup>: 64971PKJ3

\$97,410,000 3.000% Term Bond due March 1, 2049, Yield 3.100%, CUSIP<sup>2</sup>: 64971PKM6

\$140,150,000 3.000% Term Bond due March 1, 2049\*, Yield 2.900%<sup>1</sup>, CUSIP<sup>2</sup>: 64971PKK0

\* Insured Series 2020 PILOT Bonds.

<sup>1</sup> Priced to September 1, 2030 first optional redemption date.

<sup>2</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© 2020 CUSIP Global Services. All rights reserved. CUSIP® data herein are provided by CGS. 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 are provided for convenience of reference only. None of the Issuer, the Company, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2020 PILOT 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 Series 2020 PILOT Bonds.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES AND CUSIP NUMBERS**

**\$116,020,000**

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY  
PILOT REVENUE REFUNDING BONDS, SERIES 2020B  
(YANKEE STADIUM PROJECT) (FEDERALLY TAXABLE)**

<b>Maturity Date (<u>March 1</u>)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Price</b>	<b>CUSIP Number<sup>1</sup></b>
2033*	\$34,280,000	2.681%	100%	64971PKN4
2034*	35,260,000	2.731	100	64971PKP9
2035*	36,380,000	2.781	100	64971PKQ7
2040*	10,100,000	3.186	100	64971PKR5

---

\* Insured Series 2020 PILOT Bonds.

<sup>1</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© 2020 CUSIP Global Services. All rights reserved. CUSIP® data herein are provided by CGS. 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 are provided for convenience of reference only. None of the Issuer, the Company, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2020 PILOT 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 Series 2020 PILOT Bonds.

RECENT PHOTOGRAPH OF YANKEE STADIUM





## IMPORTANT INFORMATION ABOUT THIS OFFICIAL STATEMENT

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 Series 2020 PILOT Bonds by any person in any jurisdiction in which such an offer, solicitation or sale is not authorized or in which the person making such offer, solicitation or sale is not qualified to do so, or to any person to whom it is unlawful to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, the Company, the City, the Bond Trustee, the PILOT Trustee or the Underwriters.

This Official Statement is not a contract and does not provide investment advice. Investors should consult their financial advisors and legal counsel with questions about this Official Statement and the Series 2020 PILOT Bonds being offered, and any other matter related to this bond issue.

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 a part of, their responsibilities 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.

The information and expressions of opinion set forth herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the Company, the City, AGM, the Bond Trustee or the PILOT Trustee, or in any other matter since the date of this Official Statement.

The Issuer has only provided the information set forth under the captions “**THE ISSUER**” and “**LITIGATION—The Issuer**” and makes no representation, warranty or certification as to the adequacy or accuracy of the information set forth elsewhere in this Official Statement.

AGM makes no representation regarding the Series 2020 PILOT Bonds or the advisability of investing in the Series 2020 PILOT Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted here from, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “**BOND INSURANCE**” and “**APPENDIX N – Specimen Municipal Bond Insurance Policy.**”

Where statutes, reports, agreements or other documents are referred to herein, reference should be made to such statutes, reports, agreements or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof, and all summaries of such statutes, reports, agreements or other documents are qualified in their entirety by reference to such statutes, reports, agreements or other documents.

Certain statements included or incorporated by reference in this Official Statement constitute “*forward-looking statements.*” The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. See “**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS.**”

**Purchase of the Series 2020 PILOT Bonds involves risk. Prospective investors should read this entire Official Statement prior to making an investment decision. See “RISK FACTORS AND INVESTMENT CONSIDERATIONS” for certain factors that prospective purchasers should consider prior to purchasing any of the Series 2020 PILOT Bonds.**

UPON ISSUANCE, THE SERIES 2020 PILOT BONDS AND RELATED INSTRUMENTS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES LAW, AND NEITHER THE MASTER PILOT INDENTURE NOR THE FOURTH SUPPLEMENTAL PILOT INDENTURE HAS BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON THE EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION THEREFROM OF THE SERIES 2020 PILOT BONDS AND RELATED INSTRUMENTS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF THE JURISDICTIONS WHEREIN THE SERIES 2020 PILOT BONDS MAY BE OFFERED OR SOLD SHALL NOT BE CONSTRUED AS A RECOMMENDATION OF THE SERIES 2020 PILOT BONDS BY ANY PERSON. THE SERIES 2020 PILOT BONDS WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. THE SERIES 2020 PILOT BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY HEREOF. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2020 PILOT BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2020 PILOT 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.

References to web site addresses 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 web sites and the information or links contained therein are not incorporated into and are not a part of this Official Statement.

**TABLE OF CONTENTS**

	Page
INTRODUCTION .....	1
General .....	1
Purpose of the Series 2020 PILOT Bonds and Plan of Refunding.....	2
The Stadium .....	2
Security for the PILOT Bonds.....	3
PILOT Revenues .....	4
Historical PILOT .....	5
Scheduled PILOT .....	5
Bond Insurance.....	6
The Issuer .....	6
The Company .....	6
Company Agreements and Partnership Agreements .....	6
Risk Factors.....	7
Special Limited Obligations .....	7
THE SERIES 2020 PILOT BONDS.....	8
Description of the Series 2020 PILOT Bonds .....	8
Registration and Transfer .....	8
Authority for Issuance .....	8
Redemption Provisions.....	9
PLAN OF REFUNDING .....	13
APPLICATION OF PROCEEDS OF SERIES 2020 PILOT BONDS.....	14
ANNUAL DEBT SERVICE REQUIREMENTS.....	15
THE STADIUM.....	16
Overview .....	16
Real Estate Leases .....	16
Insurance .....	22
SECURITY FOR THE SERIES 2020 PILOT BONDS .....	23
General .....	23
Special Limited Obligations .....	23
PILOT Revenues .....	23
Historical PILOT .....	31
Scheduled PILOT .....	31
Indenture.....	32
Flow of Funds Under the PILOT Indenture .....	32
PILOT Bonds Debt Service Reserve Fund.....	35
The PILOT Bonds Strike Reserve Account for the PILOT Bonds .....	37
Hedge Agreements for Series 2006 PILOT Bonds .....	40
Additional PILOT Bonds .....	40
PILOT Bonds Subordinated Indebtedness .....	42
Amendments to Master PILOT Indenture .....	42
BOND INSURANCE .....	43
Bond Insurance Policy.....	43

Assured Guaranty Municipal Corp.....	43
THE COMPANY AND THE PARTNERSHIP.....	45
Overview .....	45
Other Business.....	45
Stadium Operations and Maintenance.....	45
Nature of Obligations .....	46
Change in Control .....	46
Ticket and Suite Assignment.....	46
Non-Relocation Agreement.....	48
MLB Trinity .....	50
THE ISSUER .....	51
RISK FACTORS AND INVESTMENT CONSIDERATIONS.....	51
Risks Associated with the Series 2020 PILOT Bonds .....	52
Risks Associated with Pledge of Company Equity as Collateral .....	56
Risks Associated with PILOTs.....	56
No Acceleration of PILOTs.....	57
Risks Associated with PILOT Mortgages .....	57
Risks Associated with Operations .....	58
Bond Insurance Risk Factors.....	66
LEGAL MATTERS.....	66
CONTINUING DISCLOSURE UNDER RULE 15c2-12.....	67
UNDERWRITING .....	67
SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS.....	68
RATINGS .....	69
VERIFICATION OF MATHEMATICAL COMPUTATIONS.....	69
TAX MATTERS – SERIES 2020A PILOT BONDS.....	70
Federal Income Taxes .....	70
State Taxes .....	70
Original Issue Discount.....	70
Original Issue Premium.....	71
Ancillary Tax Matters .....	71
Changes in Law and Post Issuance Events.....	71
TAX MATTERS - SERIES 2020B PILOT BONDS.....	72
Federal Income Taxes .....	72
U.S. Holders .....	72
Taxation of Interest Generally.....	73
Recognition of Income Generally .....	73
State Taxes .....	73
Original Issue Discount.....	73
Market Discount.....	74
Bond Premium.....	75
Surtax on Unearned Income .....	76
Sale or Redemption of Bonds.....	76
Non-U.S. Holders .....	76
Information Reporting and Backup Withholding.....	78

Changes in Law and Post Issuance Events.....	79
CONSIDERATIONS FOR ERISA AND OTHER U.S. BENEFIT PLAN INVESTORS .....	79
LITIGATION.....	81
The Issuer .....	81
The Company .....	81
MISCELLANEOUS .....	81
APPENDIX A	“DEFINITIONS OF CERTAIN TERMS”
APPENDIX B	“SUMMARY OF THE PILOT INDENTURE”
APPENDIX C	“SUMMARY OF THE LEASE AGREEMENT”
APPENDIX D	“SUMMARY OF THE PILOT AGREEMENT”
APPENDIX E	“SUMMARY OF THE PILOT ASSIGNMENT AND ESCROW AGREEMENT”
APPENDIX F	“SUMMARY OF THE PILOT MORTGAGES”
APPENDIX G	“SUMMARY OF THE NON-RELOCATION AGREEMENT”
APPENDIX H	“SUMMARY OF THE GROUND LEASE”
APPENDIX I	“SUMMARY OF THE STADIUM SUBLEASE AGREEMENT”
APPENDIX J	“FORM OF BOND COUNSEL OPINION”
APPENDIX K	“FORM OF CONTINUING DISCLOSURE AGREEMENT”
APPENDIX L	“BONDS TO BE REFUNDED/BONDS TO BE DEFEASED”
APPENDIX M	“BOOK-ENTRY ONLY SYSTEM”
APPENDIX N	“SPECIMEN MUNICIPAL BOND INSURANCE POLICY”



[THIS PAGE INTENTIONALLY LEFT BLANK]

**\$927,275,000**  
**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY**  
**PILOT REVENUE REFUNDING BONDS, SERIES 2020**  
**(YANKEE STADIUM PROJECT)**

**\$811,255,000**  
**Series 2020A**

**\$116,020,000**  
**Series 2020B**  
**(Federally Taxable)**

**INTRODUCTION**

**General**

This Official Statement, including the cover page, the inside cover pages and the Appendices hereto (the “*Official Statement*”), is provided to furnish certain information in connection with the issuance by the New York City Industrial Development Agency (the “*Issuer*” or “*Agency*”) of its \$811,255,000 aggregate principal amount of PILOT Revenue Refunding Bonds, Series 2020A (Yankee Stadium Project) (the “*Series 2020A PILOT Bonds*”) and its \$116,020,000 aggregate principal amount of PILOT Revenue Refunding Bonds, Series 2020B (Yankee Stadium Project) (Federally Taxable) (the “*Series 2020B PILOT Bonds*” and, together with the Series 2020A PILOT Bonds, the “*Series 2020 PILOT Bonds*”), to be issued pursuant to a Master PILOT Indenture of Trust, dated as of August 1, 2006 (the “*Master PILOT Indenture*”), by and between the Issuer and The Bank of New York Mellon, as trustee (the “*Bond Trustee*”), as heretofore supplemented and amended and as further supplemented and amended by a Fourth Supplemental PILOT Indenture of Trust, dated as of September 1, 2020, authorizing the issuance of the Series 2020 PILOT Bonds (the “*Fourth Supplemental PILOT Indenture*,” the Master PILOT Indenture as so supplemented and amended is referred to herein as the “*PILOT Indenture*”). See “**INTRODUCTION—Purpose of the Series 2020 PILOT Bonds and Plan of Refunding**” herein.

The descriptions and summaries of various documents and agreements set forth in this Official Statement and in the Appendices attached hereto do not purport to be comprehensive or definitive and are qualified in their entirety by the terms of each such document or agreement. Reference should be made to each document for complete details of all terms and conditions therein. For summaries of certain documents and agreements, see the Appendices of this Official Statement. All capitalized terms used in this Official Statement and not otherwise defined in the body of this Official Statement shall have the meanings set forth in **APPENDIX A—“DEFINITIONS OF CERTAIN TERMS”** unless otherwise noted.

The Series 2020A PILOT Bonds and the Series 2020B PILOT Bonds constitute the third and fourth series respectively of PILOT Bonds (herein defined) issued under the PILOT Indenture. On August 22, 2006, the Issuer issued its PILOT Revenue Bonds, Series 2006 (Yankee Stadium Project) (the “*Series 2006 PILOT Bonds*”), in the original aggregate principal amount of \$942,555,000, which constituted the first series of PILOT Bonds issued under the PILOT Indenture. On February 5, 2009, the Issuer issued its PILOT Revenue Bonds, Series 2009A (Yankee Stadium Project) (the “*Series 2009 PILOT Bonds*”), in the original aggregate principal amount of \$258,999,944.60, which constituted the second series of PILOT Bonds issued under the PILOT Indenture. The Series 2006 PILOT Bonds, Series 2009 PILOT Bonds, Series 2020 PILOT Bonds and any other additional bonds issued under the PILOT Indenture (collectively, the “*PILOT Bonds*”) are secured by PILOT Revenues on a parity basis.

## **Purpose of the Series 2020 PILOT Bonds and Plan of Refunding**

The Series 2020 PILOT Bonds are being issued to refinance a portion of the outstanding Series 2006 PILOT Bonds and Series 2009 PILOT Bonds in order to (i) generate debt service savings of approximately \$279,000,000 of net present value and (ii) restructure near term debt service. The proceeds of the Series 2020A PILOT Bonds, together with other funds available to the Issuer, will (i) be deposited with the Bond Trustee and invested in United States Treasury obligations the principal of and interest on which, when due, together with other available moneys, will be applied to the redemption of the callable Series 2006 PILOT Bonds and Series 2009 PILOT Bonds (the “*Refunded Current Interest PILOT Bonds*”) on or about October 26, 2020, all as more fully described in **APPENDIX L—“BONDS TO BE REFUNDED/BONDS TO BE DEFEASED”** hereto; (ii) fund deposits to the Series 2020 PILOT Bonds Debt Service Reserve Subaccount of the PILOT Bonds Debt Service Reserve Account in the PILOT Bonds Debt Service Reserve Fund; and (iii) pay certain fees and other Costs of Issuance of the Series 2020A PILOT Bonds. The proceeds of the Series 2020B PILOT Bonds will (i) be deposited with the Bond Trustee and invested in United States Treasury obligations the principal of and interest on which, when due, together with any uninvested proceeds, are calculated to provide amounts sufficient to (A) legally defease and refund the Series 2009 PILOT Bonds maturing on March 1, 2021, March 1, 2022 and March 1, 2023 (the “*Refunded Capital Appreciation PILOT Bonds*” and, together with the Refunded Current Interest PILOT Bonds, the “*Refunded PILOT Bonds*”), all as more fully described in **APPENDIX L—“BONDS TO BE REFUNDED/BONDS TO BE DEFEASED”** hereto, and (B) to pay the principal on the Series 2006 PILOT Bonds maturing on March 1, 2021 and to pay the Regularly Scheduled Swap Payment due on the Series 2006 PILOT Bonds on March 1, 2021 with respect to the Series 2006 PILOT Bonds maturing March 1, 2021; (ii) fund a deposit to the Series 2006 PILOT Bonds Principal Prepayment Subaccount in the PILOT Bonds Special Reserve Account sufficient to pay the principal amount of the Series 2006 PILOT Bonds maturing on March 1, 2022 and 2023 and a portion of the principal amount of the Series 2006 PILOT Bonds maturing on March 1, 2024, at their respective maturity dates; (iii) fund a deposit to the Series 2020 PILOT Bonds Debt Service Reserve Subaccount of the PILOT Bonds Debt Service Reserve Account in the PILOT Bonds Debt Service Reserve Fund; (iv) fund a deposit to the PILOT Bonds Strike Reserve Account; and (v) pay certain fees and other Costs of Issuance of the Series 2020B PILOT Bonds.

See “**VERIFICATION OF MATHEMATICAL COMPUTATIONS**” below.

## **The Stadium**

The proceeds of the Series 2006 PILOT Bonds and the Series 2009 PILOT Bonds, together with other funds, were used to finance the costs associated with the design, development, acquisition, construction and fitting out of Yankee Stadium (the “*Stadium*”) in the Bronx, New York. The Stadium is an approximately 1.3 million-square foot open-air stadium. The Stadium was built for, among other purposes, the staging of athletic, concert and other entertainment events, including home baseball games played by the New York Yankees Major League Baseball (“*MLB*”) team (the “*Team*”). The Series 2020 PILOT Bonds constitute Refunding PILOT Bonds under the PILOT Indenture and are being issued to refinance a portion of such costs of the Stadium. In addition to the Team, the Stadium currently serves as the home field of New York City Football Club of Major League Soccer.

The Stadium is owned by the Issuer and is situated on approximately 14.6 acres of land (the “*Site*”) owned by The City of New York (the “*City*”) and located in the Bronx, New York. The Site is leased by the City to the Issuer pursuant to a Ground Lease Agreement, dated as of August 1, 2006 (the “*Ground Lease*”). The term of the Ground Lease expires on August 21, 2105. Pursuant to a Lease Agreement, dated as of August 1, 2006 (the “*Original Lease Agreement*”), as amended by the First Amendment to Lease Agreement, dated as of February 1, 2009 (the “*First Amendment to Lease*”).

*Agreement*”), the Second Amendment to Lease Agreement, dated as of July 1, 2009 (the “*Second Amendment to Lease Agreement*”), and the Third Amendment to Lease Agreement, dated as of September 1, 2020 (the “*Third Amendment to Lease Agreement*,” the Original Lease Agreement, as amended by the First Amendment to Lease Agreement, the Second Amendment to Lease Agreement and the Third Amendment to Lease Agreement, is referred to herein as the “*Lease Agreement*”), the Issuer subleased the Site and leased the Stadium to Yankee Stadium LLC (the “*Company*”) and the Company, as agent of the Issuer, constructed and now operates and maintains the Stadium. Pursuant to a Stadium Sublease, dated as of August 1, 2006 (the “*Original Stadium Sublease*”), as amended by the First Amendment to Stadium Sublease, dated February 1, 2009 (“*Amendment No. 1 to Stadium Sublease*”), the Second Amendment to Stadium Sublease, dated as of March 6, 2009 (“*Amendment No. 2 to Stadium Sublease*”) and the Third Amendment to Stadium Sublease, dated as of June 4, 2020 (“*Amendment No. 3 to Stadium Sublease*,” the Original Stadium Sublease, as amended by Amendment No. 1 to Stadium Sublease, Amendment No. 2 to Stadium Sublease and Amendment No. 3 to Stadium Sublease, is referred to herein as the “*Stadium Sublease Agreement*”), the Company subleases the Stadium to New York Yankees Partnership (the “*Partnership*”). See “**THE COMPANY AND THE PARTNERSHIP.**” The Stadium commenced operation with the 2009 MLB season.

### **Security for the PILOT Bonds**

The PILOT Bonds, including the Series 2020 PILOT Bonds, are special limited obligations of the Issuer, payable from and secured equally and ratably by: (i) the PILOT Revenues; (ii) all right, title and interest of the Issuer in and to the Funds and Accounts under the PILOT Indenture (other than the PILOT Bonds Renewal Fund, the PILOT Bonds Rebate Fund and the Series 2006 PILOT Bonds Principal Prepayment Subaccount in the PILOT Bonds Special Reserve Account) including, for each Series, the related PILOT Bonds Debt Service Reserve Fund Subaccount of the PILOT Bonds Debt Service Reserve Fund Account; and (iii) all right, title and interest of the Bond Trustee in the Debt Service and Reimbursement Fund held under the Amended and Restated PILOT Assignment and Escrow Agreement, originally dated as of August 1, 2006 and amended and restated as of September 1, 2020 (as so amended and restated, the “*PILOT Assignment*”), among the Issuer, the Bond Trustee, The Bank of New York Mellon, as PILOT Trustee, and the City. PILOT Revenues, which are comprised of payments in lieu of real property taxes on account of the Stadium and the Site that are transferred to and actually received by the Bond Trustee pursuant to the PILOT Assignment, are derived from payments in lieu of real property taxes on account of the Stadium and the Site made by the Company to the Issuer (“*PILOTs*”) under the Payment-In-Lieu-of-Tax Agreement, dated as of August 1, 2006, as amended by Amendment No. 1 to Payment-In-Lieu-of-Tax Agreement, dated January 16, 2009 and Amendment No. 2 to Payment-In-Lieu-of-Tax Agreement dated as of February 1, 2009 (collectively, the “*PILOT Agreement*”), among the Issuer, the Company and the City.

Pursuant to Resolutions No. 1214-2005 and 0259-2006 (the “*City Resolutions*”), the City has authorized (i) the application of PILOTs to the payment of debt service on the PILOT Bonds and certain other costs associated with the PILOT Bonds and the Stadium and (ii) the assignment of the PILOTs to the Bond Trustee in accordance with the terms of resolutions of the Issuer adopted on July 11, 2006, January 16, 2009 and July 28, 2020. Pursuant to the PILOT Agreement, the Company has agreed to pay PILOTs to the Issuer. Pursuant to the PILOT Assignment, the Issuer has assigned its rights to PILOTs under the PILOT Agreement to the PILOT Trustee, and under the PILOT Assignment, the PILOT Trustee is required to pay PILOTs received by it thereunder (the “*PILOT Receipts*”) to the Bond Trustee in an amount sufficient to pay Debt Service and other amounts due on the PILOT Bonds and certain other amounts payable by the Bond Trustee. Except for certain Funds and Accounts held under the PILOT Indenture, the sole source of payment of the PILOT Bonds are the PILOT Receipts paid to the Bond Trustee (the “*PILOT Revenues*”). See “**SECURITY FOR THE SERIES 2020 PILOT BONDS—PILOT Revenues.**” The Company has no significant assets other than its interests in the Lease

Agreement, the Stadium Sublease Agreement and the Ticket and Suite Assignment (herein defined), and the Company's primary source of funds to pay PILOTs are the amounts payable by the Partnership to the Company under the Stadium Sublease Agreement which payments are effectuated pursuant to the Ticket and Suite Assignment. See **"THE COMPANY AND THE PARTNERSHIP—Ticket and Suite Assignment."**

The Issuer may issue additional PILOT Bonds on a parity with the outstanding PILOT Bonds, including the Series 2020 PILOT Bonds, subject to certain conditions set forth in the PILOT Indenture. See **"SECURITY FOR THE SERIES 2020 PILOT BONDS—Additional PILOT Bonds."**

The Series 2020 PILOT Bonds will additionally be secured by the Series 2020 PILOT Bonds Debt Service Reserve Subaccount of the PILOT Bonds Debt Service Reserve Account which, at the time of issuance of the Series 2020 PILOT Bonds will be funded with a cash deposit of \$20,948,278.32 and from deposit of the Series 2020 PILOT Bonds DSR Subaccount Policy, as hereinafter defined.

### **PILOT Revenues**

The PILOTs payable in each PILOT Year are expected to be in an amount sufficient to pay Debt Service, Bond Fees (which may include, among other things, annual premiums for bond insurance and swap insurance), Regularly Scheduled Swap Payments and any other amounts regularly payable under the PILOT Indenture for PILOT Bonds which constitute the Bond Year Requirement for the PILOT Bonds for the Bond Year beginning during that PILOT Year. Pursuant to the PILOT Assignment, the PILOT Trustee established the PILOT Fund, into which fund the PILOT Trustee deposits all PILOT Receipts and any other amounts required or permitted to be deposited therein pursuant to the provisions of the PILOT Assignment. PILOT Revenues are comprised of PILOTs that are transferred to and actually received by the Bond Trustee pursuant to the PILOT Assignment. Immediately upon receipt by the PILOT Trustee from the Bond Trustee of a certificate (the *"Initial PILOT Certificate"*) setting forth the Bond Year Requirement for the Bond Year that begins during the current PILOT Year, and in any event no later than February 1 of such PILOT Year, PILOT Receipts in an amount equal to the Bond Year Requirement set forth in such Initial PILOT Certificate are transferred to the Debt Service and Reimbursement Fund created under the PILOT Assignment. Amounts held in the Debt Service and Reimbursement Fund, on each date on which an amount of PILOT Receipts is deposited to such Debt Service and Reimbursement Fund, are immediately transferred to the Bond Trustee in an aggregate amount such that upon the final transfer of such PILOT Receipts to the Bond Trustee during any PILOT Year, the amount so transferred to the Bond Trustee during such PILOT Year is equal to the Bond Year Requirement for the Bond Year that begins during such PILOT Year. See **"SECURITY FOR THE SERIES 2020 PILOT BONDS—PILOT Revenues—PILOT Assignment"** and **APPENDIX E—"SUMMARY OF THE PILOT ASSIGNMENT AND ESCROW AGREEMENT."**

Notwithstanding the foregoing, under the PILOT Agreement, the amount of PILOTs may not exceed real property taxes which would otherwise have been assessed with respect to the Stadium and the Site by the City's Department of Finance. See **"SECURITY FOR THE SERIES 2020 PILOT BONDS—PILOT Revenues—Projected PILOT."**

For further discussion of the PILOTs and Company's payment obligations under the PILOT Agreement, see **"SECURITY FOR THE SERIES 2020 PILOT BONDS—Special Limited Obligations"** and **"—PILOT Revenues."**



## Historical PILOT

PILOT Payments are due and payable by February 1 of each year. Under the PILOT Indenture, PILOT Payments are applied to payment obligations accruing in the immediately succeeding Bond Year commencing March 1 and ending February 28 or February 29, as the case may be. The following table sets forth historical PILOT Payments under the PILOT Agreement available for the referenced Bond Year as well as the calculation of Actual Taxes for the corresponding fiscal year of the City, calculated under and in accordance with the PILOT Agreement. PILOTs may not exceed Actual Taxes. See “SECURITY FOR THE SERIES 2020 PILOT BONDS—PILOT Revenues—Calculation of Actual Taxes and Assessments.”

<u>Bond Year Ending 2/28 or 2/29</u>	<u>Actual Taxes<sup>1</sup></u>	<u>PILOTs</u>	<u>Bond Year Ending 2/28 or 2/29</u>	<u>Actual Taxes<sup>1</sup></u>	<u>PILOTs</u>
2021	\$105,297,984	\$84,233,122	2015	\$89,195,870	\$78,995,950
2020	98,562,374	84,237,081	2014	84,357,075	77,446,597
2019	95,797,129	84,235,529	2013	82,548,773	75,923,612
2018	94,265,180	83,831,196	2012	76,753,081	74,435,209
2017	93,210,487	82,186,202	2011	77,205,815	66,413,055
2016	91,733,983	80,574,202			

1. Figures are rounded.

## Scheduled PILOT

The following table sets forth scheduled PILOT Payments under the PILOT Agreement available for the referenced Bond Year as set forth below:

<u>Bond Year Ending 2/28 or 2/29</u>	<u>Scheduled PILOT</u>	<u>Bond Year Ending 2/28 or 2/29</u>	<u>Scheduled PILOT</u>
2022	\$84,233,468	2037	\$84,235,961
2023	84,236,952	2038	84,236,021
2024	84,237,998	2039	84,235,724
2025	84,235,684	2040	84,237,726
2026	84,233,659	2041	84,232,148
2027	84,236,509	2042	84,236,110
2028	84,235,118	2043	84,237,078
2029	84,232,735	2044	84,234,321
2030	84,235,554	2045	84,237,759
2031	84,233,444	2046	84,235,888
2032	84,233,544	2047	84,235,290
2033	84,237,713	2048	84,234,249
2034	84,236,587	2049	81,463,640
2035	84,236,970	2050	81,464,019
2036	84,234,566		

## **Bond Insurance**

The scheduled payment of principal of and interest on the Series 2020A PILOT Bonds maturing on March 1 in the years 2028 through and including 2040, March 1, 2045 (with a yield of 2.49%) and March 1, 2049 (with a yield of 2.90%) and the Series 2020B PILOT Bonds (collectively, the “Insured Series 2020 PILOT Bonds”) when due will be guaranteed under a municipal bond insurance policy (the “*Policy*”) to be issued concurrently with the delivery of the Insured Series 2020 PILOT Bonds by Assured Guaranty Municipal Corp. (“*AGM*” or the “*Insurer*”). See “**BOND INSURANCE**” below.

## **The Issuer**

The Issuer is a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York organized pursuant to the New York State Industrial Development Agency Act (constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York), as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “*Act*”). See “**THE ISSUER**” herein.

## **The Company**

The Company is a privately-owned limited liability company organized under the laws of the State of Delaware. The Company is organized as a bankruptcy-remote special purpose entity for the purpose of building, operating and maintaining the Stadium, as agent for the Issuer.

The Team is owned and operated by the Partnership. The Company is wholly owned by Yankee Stadium Holdings LLC (“*Stadium Holdco*”), which in turn is wholly owned by YGE Holdings, LLC, which in turn is wholly owned by Yankee Global Enterprises LLC (“*YGE*”). YGE Holdings, LLC holds a ninety-nine percent (99%) limited partnership interest in the Partnership.

The Company has no business other than the operation, maintenance and subleasing of the Stadium and certain related activities (including the entry into Stadium-related tax and/or interest rate swaps, options, caps, collars, floors or other similar or related agreements or arrangements from time to time). See “**THE COMPANY AND THE PARTNERSHIP.**”

## **Company Agreements and Partnership Agreements**

The Company has subleased the Stadium to the Partnership pursuant to the Stadium Sublease Agreement. In consideration for the Company entering into the PILOT Agreement and the Lease Agreement, and in consideration for the Company entering into the Stadium Sublease Agreement with the Partnership, the Partnership has assigned to the Company all proceeds received by or on behalf of the Partnership in connection with (i) the sale of tickets and (ii) suite license fees, in either case exclusively relating to the admission price for attending Team Home Games (defined herein) played during a Team Season (as defined in the Lease Agreement) at either the Stadium or, for so long as an event of force majeure or casualty is continuing, any other facility for which the Partnership receives the proceeds of such sales, exclusive of any and all (A) taxes paid on such sale of tickets or suite license fees, (B) fees, costs or expenses payable pursuant to the MLB Trinity or otherwise and (C) proceeds paid in respect or on account of any right, benefit, privilege, entitlement or amenity not directly related to admission to a Team Home Game played during a Team Season (the “*Ticket Sale and Suite License Proceeds*”), pursuant to the Assignment of Ticket Sale and Suite License Proceeds, dated as of August 1, 2006, as amended by the First Amendment to Assignment of Ticket Sale and Suite License Proceeds, dated as of March 6, 2009, and the Second Amendment to Assignment of Ticket Sale and Suite License Proceeds,

dated as of June 4, 2020 (collectively, the “*Ticket and Suite Assignment*”). See “**THE COMPANY AND THE PARTNERSHIP—Ticket and Suite Assignment.**”

Pursuant to a Non-Relocation Agreement among the City, the New York State Urban Development Corporation d/b/a Empire State Development Corporation (“ESD”), the Issuer and the Partnership, dated as of August 1, 2006, as amended by First Amendment to Non-Relocation Agreement, dated as of February 1, 2009 and effective February 5, 2009 (collectively, the “*Non-Relocation Agreement*”), the Partnership has agreed to cause the Team to play substantially all of its Home Games (as defined below) in the Stadium until the expiration of the Initial Term (as defined below) or earlier termination of the Non-Relocation Agreement (to the extent provided in, and subject to certain exceptions contained in, the Non-Relocation Agreement). Notwithstanding the foregoing, the Partnership’s rights and obligations under the Non-Relocation Agreement are subject and subservient in all respects to the MLB Trinity (defined herein). The manner of conduct of activities at the Stadium in conjunction with MLB or Team Home Games or other events is subject to the MLB Trinity and the Partnership and the Company are subject to the MLB Trinity, which MLB Trinity, and/or any future changes therein, may affect the ability of the Partnership and/or the Company to perform their respective obligations and/or to exercise their respective rights under various agreements, as amended, including, but not limited to, the Non-Relocation Agreement, the PILOT Agreement, the PILOT Mortgages, the Ticket and Suite Assignment, the Lease Agreement, the Stadium Sublease Agreement and/or other agreements to which the Partnership, the Company or MLB is a party. See “**THE COMPANY AND THE PARTNERSHIP—Non-Relocation Agreement.**”

**None of the Ticket and Suite Assignment, the rights and remedies under the Non-Relocation Agreement or any amounts payable under the Stadium Sublease Agreement will be pledged to the Bond Trustee nor will any of the foregoing secure the payment of the Series 2020 PILOT Bonds. The Series 2020 PILOT Bonds do not constitute an obligation of the Company, the Partnership, the Team or any of their respective affiliates. The Series 2020 PILOT Bonds are not secured by any interest in the Stadium nor any property of or interest in the Company, the Partnership, the Team or any of their respective affiliates.**

### **Risk Factors**

There are risks associated with the purchase of the Series 2020 PILOT Bonds. See “**RISK FACTORS AND INVESTMENT CONSIDERATIONS**” herein for a discussion of certain of these risks.

### **Special Limited Obligations**

**The Series 2020 PILOT Bonds are special limited obligations of the Issuer payable solely from, and secured by, PILOT Revenues derived from PILOTs paid by the Company pursuant to the PILOT Agreement and amounts on deposit in certain Funds and Accounts held under the PILOT Indenture.**

**Neither the State nor the City is or shall be obligated to pay the principal of or interest on the Series 2020 PILOT Bonds and neither the faith and credit nor the taxing power of the State or the City is pledged to such payment. The Issuer has no taxing power. The Series 2020 PILOT Bonds do not constitute an obligation of the Company, the Partnership, the Team or any of their respective affiliates. The Series 2020 PILOT Bonds are not secured by any interest in the Stadium nor any property of or interest in the Company, the Partnership, the Team or any of their respective affiliates.**

## THE SERIES 2020 PILOT BONDS

### Description of the Series 2020 PILOT Bonds

The Series 2020 PILOT Bonds will be issued pursuant to the Master PILOT Indenture and the Fourth Supplemental PILOT Indenture and will mature on the dates and in the amounts shown on the inside cover pages of this Official Statement. The Series 2020 PILOT Bonds will be issuable only as fully registered bonds. The Series 2020A PILOT Bonds will be issued in denominations of \$5,000 or any multiple thereof pursuant to the book-entry only system described below. The Series 2020B PILOT Bonds will be issued in denominations of \$1,000 or any multiple thereof pursuant to the book-entry only system described below. The Series 2020 PILOT Bonds will bear interest at the respective rates per annum shown on the inside cover pages of this Official Statement. Interest on the Series 2020 PILOT Bonds will be payable on March 1 and September 1 in each year, beginning March 1, 2021 and will be calculated on the basis of a 360-day year with twelve (12) months of thirty (30) days each. The principal amount of the Series 2020 PILOT Bonds (the “*Principal*”) and premium, if any, on the Series 2020 PILOT Bonds are payable only upon surrender of the Series 2020 PILOT Bonds at maturity or earlier redemption at the office of the PILOT Bonds Paying Agent.

### Registration and Transfer

The Series 2020 PILOT Bonds will be registered in the name of Cede & Co., as nominee of DTC, pursuant to DTC’s Book-Entry Only System. Purchases of beneficial interests in the Series 2020 PILOT Bonds will be made in book-entry form, without certificates. See **APPENDIX M—“BOOK-ENTRY ONLY SYSTEM.”** If at any time the Book-Entry Only System is discontinued for the Series 2020 PILOT Bonds, the Series 2020 PILOT Bonds, will be exchangeable for other fully registered certificated Series 2020 PILOT Bonds of the same series in any authorized denominations, maturity and interest rate. See **APPENDIX M—“BOOK-ENTRY ONLY SYSTEM”** herein. The Bond Trustee or the Issuer may impose a charge sufficient to reimburse the Issuer or the Bond Trustee for any tax, fee (including attorneys’ fees) or other governmental charge required to be paid with respect to such exchange or any transfer of a Series 2020 PILOT Bond. The cost, if any, of preparing each new Series 2020 PILOT Bond issued upon such exchange or transfer, and any other expenses of the Issuer or the Bond Trustee incurred in connection therewith, will be paid by the person requesting such exchange or transfer.

Interest on the Series 2020 PILOT Bonds will be payable by check or draft mailed to the registered Bondholders thereof. However, interest on the Series 2020 PILOT Bonds will be paid to any owner of \$1,000,000 or more in aggregate principal amount of Series 2020 PILOT Bonds by wire transfer to a wire transfer address within the continental United States upon the written request of such owner received by the Bond Trustee not less than twenty (20) days prior to the related Interest Payment Date. As long as the Series 2020 PILOT Bonds are registered in the name of Cede & Co., as nominee of DTC, such payments will be made directly to DTC. See **“APPENDIX M—“BOOK-ENTRY ONLY SYSTEM.”**

### Authority for Issuance

The Series 2020 PILOT Bonds are being issued pursuant to the Act, the City Resolutions and resolution of the Issuer adopted July 28, 2020. For a summary of the Act and the Issuer’s powers, see **“THE ISSUER.”**

## Redemption Provisions

### *Series 2020A PILOT Bonds*

Optional Redemption. The Series 2020A PILOT Bonds maturing on and after March 1, 2031 are subject to redemption prior to maturity in whole or in part at the option of the Issuer on any date on or after September 1, 2030 (in accordance with procedures of DTC, so long as DTC is the sole registered Series 2020A PILOT Bondholder, and otherwise by lot in such manner as the Bond Trustee in its discretion deems proper) at one hundred percent (100%) of the principal amount thereof, together with accrued interest thereon up to but not including the Redemption Date.

Sinking Fund Redemption. The \$103,705,000 Series 2020A PILOT Bonds maturing on March 1, 2045 yielding 2.730% are subject to mandatory sinking fund redemption, in part (in accordance with procedures of DTC, so long as DTC is the sole registered Series 2020A PILOT Bondholder, and otherwise by lot in such manner as the Bond Trustee in its discretion deems proper) on each March 1 on and after the first Sinking Fund Installment date shown below at the principal amount thereof plus accrued interest up to, but not including, the Redemption Date thereof from mandatory Sinking Fund Installments that are required to be made in amounts sufficient to refund on March 1 of each year the principal amount of such Series 2020A PILOT Bond shown below:

**\$103,705,000**  
**2045 Term Bond (2.730% Yield)**

<u>Year</u>	<u>Amount</u>
2041	\$17,215,000
2042	17,925,000
2043	18,670,000
2044	19,445,000
2045†	30,450,000

† Stated maturity.

The \$132,230,000 Series 2020A PILOT Bonds maturing on March 1, 2045 yielding 2.490% are subject to mandatory sinking fund redemption, in part (in accordance with procedures of DTC, so long as DTC is the sole registered Series 2020A PILOT Bondholder, and otherwise by lot in such manner as the Bond Trustee in its discretion deems proper) on each March 1 on and after the first Sinking Fund Installment date shown below at the principal amount thereof plus accrued interest up to, but not including, the Redemption Date thereof from mandatory Sinking Fund Installments that are required to be made in amounts sufficient to refund on March 1 of each year the principal amount of such Series 2020A PILOT Bond shown below:

**\$132,230,000**  
**2045 Term Bond (2.490% Yield)**

<u>Year</u>	<u>Amount</u>
2041	\$26,140,000
2042	27,230,000
2043	28,375,000
2044	29,555,000
2045†	20,930,000

† Stated maturity.



The \$97,410,000 Series 2020A PILOT Bonds maturing on March 1, 2049 yielding 3.100% are subject to mandatory sinking fund redemption, in part (in accordance with procedures of DTC, so long as DTC is the sole registered Series 2020A PILOT Bondholder, and otherwise by lot in such manner as the Bond Trustee in its discretion deems proper) on each March 1 on and after the first Sinking Fund Installment date shown below at the principal amount thereof plus accrued interest up to, but not including, the Redemption Date thereof from mandatory Sinking Fund Installments that are required to be made in amounts sufficient to refund on March 1 of each year the principal amount of such Series 2020A PILOT Bond shown below:

**\$97,410,000**  
**2049 Term Bond (3.100% Yield)**

<u>Year</u>	<u>Amount</u>
2046	\$18,225,000
2047	21,835,000
2048	25,770,000
2049†	31,580,000

† Stated maturity.

The \$140,150,000 Series 2020A PILOT Bonds maturing on March 1, 2049 yielding 2.900% are subject to mandatory sinking fund redemption, in part (in accordance with procedures of DTC, so long as DTC is the sole registered Series 2020A PILOT Bondholder, and otherwise by lot in such manner as the Bond Trustee in its discretion deems proper) on each March 1 on and after the first Sinking Fund Installment date shown below at the principal amount thereof plus accrued interest up to, but not including, the Redemption Date thereof from mandatory Sinking Fund Installments that are required to be made in amounts sufficient to refund on March 1 of each year the principal amount of such Series 2020A PILOT Bond shown below:

**\$140,150,000**  
**2049 Term Bond (2.900% Yield)**

<u>Year</u>	<u>Amount</u>
2046	\$31,840,000
2047	33,315,000
2048	39,540,000
2049†	35,455,000

† Stated maturity.

Credit toward mandatory Sinking Fund Installment requirements may be made as follows, and if made, will thereafter reduce the amount of Series 2020A PILOT Bonds otherwise subject to mandatory Sinking Fund Installments on the date credit is taken:

(i) If the Issuer directs the Bond Trustee to purchase Series 2020A PILOT Bonds with money in the PILOT Bonds Redemption Account (at a price not greater than par plus accrued interest to the date of purchase), then a credit of one hundred percent (100%) of the principal amount of the Series 2020A PILOT Bonds purchased will be made against the next Sinking Fund Installment due.

(ii) If the Issuer purchases or redeems Series 2020A PILOT Bonds with other available monies, then the principal amount of those Series 2020A PILOT Bonds will be credited

against future Sinking Fund Installment requirements in any order, and in any annual amount, that the Issuer may direct.

### ***Series 2020B PILOT Bonds***

*Make-Whole Optional Redemption.* The Series 2020B PILOT Bonds are subject to redemption prior to their stated maturity dates at the option of the Issuer, in whole or in part at any time, at a make-whole price equal to the greater of:

(1) the issue price of the Series 2020B PILOT Bonds set forth on the inside cover pages hereof (but not less than 100%) of the principal amount of such Series 2020B PILOT Bonds to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2020B PILOT Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2020B PILOT Bonds are to be redeemed, discounted to the date on which such Series 2020B PILOT 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 (described below) plus (i) in the case of the Series 2020B PILOT Bonds maturing March 1, 2033 and March 1, 2040, 30 basis points and (ii) in the case of the Series 2020B PILOT Bonds maturing March 1, 2034 and March 1, 2035, 35 basis points;

plus, in each case, accrued interest on such Series 2020B PILOT Bonds to be redeemed to the Redemption Date.

“*Treasury Rate*” means, with respect to any Redemption Date for a particular Series 2020B PILOT 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 45 calendar days, prior to the redemption (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 to the maturity date of the Series 2020B PILOT Bond to be redeemed.

### ***Special Mandatory Redemption***

The PILOT Bonds (including the Series 2020 PILOT Bonds) are subject to special mandatory redemption prior to maturity by the Issuer in whole on any date or in part on any Interest Payment Date (in accordance with procedures of DTC, so long as DTC is the sole registered PILOT Bondholder, and otherwise by lot in such manner as the Bond Trustee in its discretion deems proper) at a Redemption Price equal to par, plus accrued and unpaid interest to the Redemption Date, if either (1) a Casualty Event (defined herein) or a Taking which is less than a Substantial Taking has occurred during the last five (5) Lease Years of the Term of the Lease Agreement and the Company elects not to perform a Casualty Restoration (defined herein) or a Condemnation Restoration (defined herein) by terminating the Lease Agreement in accordance with its terms or (2) at any time a Substantial Taking has occurred.

Upon the occurrence of one or more of the events described above, any and all Restoration Funds (defined herein), condemnation awards and any other monies on deposit in the PILOT Bonds Renewal Fund shall be transferred (1) to the PILOT Bonds Redemption Account in the PILOT Bonds Bond Fund and (2) to the Rental Bonds Trustee for deposit in the Rental Bonds Redemption Account in the Rental Bonds Bond Fund, in each case, pro rata, in proportion to the aggregate amount of outstanding PILOT

Bonds and outstanding Rental Bonds, respectively, and used to pay the Redemption Price of such PILOT Bonds and Rental Bonds. Any such redemption shall be made on the first date for which notice of redemption may be timely given by the Bond Trustee under the PILOT Indenture.

### ***Selection of PILOT Bonds to be Redeemed***

In the event that less than all of the Series 2020A PILOT Bonds of a maturity are redeemed, the Series 2020A PILOT Bonds of such maturity to be redeemed will be selected by the Bond Trustee in such manner as the Bond Trustee shall deem fair. In the event of redemption of less than all the Outstanding Series 2020A PILOT Bonds of the same Series, the principal amount of such Series of Series 2020A PILOT Bonds to be redeemed shall be applied in any order of maturity that the Issuer may elect of the Outstanding Series of Series 2020A PILOT Bonds to be redeemed and by lot within a maturity. In the event that less than all of the Series 2020B PILOT Bonds of a maturity are redeemed, the Series 2020B PILOT Bonds of such maturity to be redeemed will be selected by the Bond Trustee pro rata in such manner as the Bond Trustee shall deem fair. The portion of Series 2020 PILOT Bonds of any Series to be redeemed in part shall be in the principal amount of the minimum authorized denomination thereof or some integral multiple thereof and, in selecting Series 2020 PILOT Bonds of a particular Series for redemption, the Bond Trustee shall treat each such Series 2020 PILOT Bond as representing that number of Series 2020 PILOT Bonds of such Series which is obtained by dividing the principal amount of such registered Series 2020 PILOT Bond by the minimum denomination (referred to below as a “unit”) then issuable rounded down to the integral multiple of such minimum denomination. If it is determined that one or more, but not all, of the units of principal amount represented by any such Series 2020 PILOT Bonds is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such Series 2020 PILOT Bond shall forthwith surrender such Series 2020 PILOT Bond to the Bond Trustee for (a) payment to such owner of the Redemption Price of the unit or units of principal amount called for redemption and (b) delivery to such owner of a new Series 2020 PILOT Bond or Bonds of such Series in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such Series 2020 PILOT Bond. New Series 2020 PILOT Bonds of the same Series and maturity representing the unredeemed balance of the principal amount of such Series 2020 PILOT Bond shall be issued to the registered owner thereof, without charge therefor. If the Holder of any such Series 2020 PILOT Bond of a denomination greater than a unit shall fail to present such Series 2020 PILOT Bond to the Bond Trustee for payment and exchange as aforesaid, such Series 2020 PILOT Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

### ***Notice of Redemption***

At least thirty (30) days, but not more than sixty (60) days, before the redemption date of any Series 2020 PILOT Bonds, whether such redemption be in whole or in part, the Bond Trustee shall cause a notice, in the name of the Issuer, of any such redemption signed by the Bond Trustee to be mailed, postage prepaid, by certified or registered mail or overnight delivery, to the Securities Depository, so long as the Holder is a Securities Depository Nominee, and otherwise (a) to be mailed, first class postage prepaid, to all Holders of the Series 2020 PILOT Bonds to be redeemed at their addresses as they appear on the registry books; provided, however, that if any registered owner (other than a Securities Depository Nominee) shall be the registered owner of \$1,000,000 or more in aggregate principal amount of any Series 2020 PILOT Bonds or portions of Series 2020 PILOT Bonds which are to be redeemed, the Bond Trustee shall mail a copy of such notice by certified mail return receipt requested to such registered owner at his or her address as it appears on the registry books and (b) sent, at least thirty (30) days prior to the redemption date, by first class mail, postage prepaid, to at least the registered Securities Depository and to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system (“EMMA”). If such notice is mailed as set forth above, the failure to mail any such notice to any Holder

or any defect therein shall not affect the validity of the proceedings for such redemption with respect to any Holder to whom proper notice was duly mailed.

Any notice of optional redemption given pursuant to the terms of the PILOT Indenture may state that it is conditional upon receipt by the Bond Trustee of monies sufficient to pay the Redemption Price of such PILOT Bonds or upon the satisfaction of any other condition specified in such notice, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Bond Trustee to affected PILOT Bondholders as promptly as practicable upon the failure of such condition or the occurrence of such other event.

### ***Purchase in Lieu of Redemption***

The Issuer may, in its sole discretion, purchase, at any time and from time to time, any Series 2020 PILOT Bonds which are redeemable at the election of the Issuer at a purchase price equal to the redemption price therefor. To exercise any such option, the Issuer shall give the Bond Trustee a written request exercising such option within forty-five (45) days prior to the Redemption Date or such shorter period as shall be acceptable to the Bond Trustee, and the Bond Trustee shall thereupon give the Bondholders of the Series 2020 PILOT Bonds to be purchased notice of such purchase in the manner specified above as though such purchase were a redemption. On the date fixed for purchase pursuant to any exercise of such an option, the Issuer shall pay the purchase price of the Series 2020 PILOT Bonds then being purchased to the Bond Trustee in immediately available funds, and the Bond Trustee shall pay the same to the sellers of such Bonds against delivery thereof. Following such purchase, the Bond Trustee shall cause such Series 2020 PILOT Bonds to be registered in the name of the Issuer or its nominee and shall deliver them to the Issuer or its nominee. Except to the extent otherwise directed by an Authorized Representative of the Issuer, no purchase of Series 2020 PILOT Bonds pursuant to such an option shall operate to extinguish the indebtedness of the Issuer evidenced thereby. Any such option to purchase by the Issuer either shall be conditioned on the provision of sufficient money therefore by the Issuer or shall be an obligation of the Issuer in the event that the Issuer does not provide sufficient money therefor.

### **PLAN OF REFUNDING**

A portion of the proceeds of the Series 2020A PILOT Bonds, together with other funds available to the Issuer, will be deposited with the Bond Trustee and invested in United States Treasury obligations the principal of and interest on which, when due, together with any uninvested proceeds, are calculated to provide amounts sufficient to current refund and pay the redemption price of the Refunded Current Interest PILOT Bonds. A portion of the proceeds of the Series 2020B PILOT Bonds will be (i) deposited with the Bond Trustee and invested in United States Treasury obligations the principal of and interest on which, when due, together with any uninvested proceeds, are calculated to provide amounts sufficient to legally defease and refund the Refunded Capital Appreciation PILOT Bonds; (ii) deposited to the Series 2006 PILOT Bonds Principal Prepayment Subaccount in the PILOT Bonds Special Reserve Account sufficient to pay the principal amount of the Series 2006 PILOT Bonds maturing on March 1, 2022 and 2023 and a portion of the principal amount of the Series 2006 PILOT Bonds maturing on March 1, 2024 at their respective maturity dates; and (iii) deposited to the Series 2006 PILOT Bonds Redemption Account to fund the principal on, and the Regularly Scheduled Swap Payment with respect to, the Series 2006 PILOT Bonds maturing on March 1, 2021.

See “**VERIFICATION OF MATHEMATICAL COMPUTATIONS**” below and **APPENDIX L—“BONDS TO BE REFUNDED/BONDS TO BE DEFEASED**” hereto.

The cash and investments deposited in the respective funds pursuant to the Letters of Instruction from the Issuer and respective investments thereof will be held in trust solely for the payment of the principal of, interest on and redemption price of the respective Refunded PILOT Bonds, as applicable. See “**VERIFICATION OF MATHEMATICAL COMPUTATIONS**” below and “**APPENDIX L — BONDS TO BE REFUNDED/BONDS TO BE DEFEASSED**” herein.

### APPLICATION OF PROCEEDS OF SERIES 2020 PILOT BONDS

The following table shows the expected sources and uses of the proceeds of the Series 2020 PILOT Bonds.

	Series 2020A PILOT Bonds	Series 2020B PILOT Bonds	Total*
<b>Sources:</b>			
Bond Proceeds:			
Par Amount	\$811,255,000	\$116,020,000	\$927,275,000
Net Premium	67,285,507	-	67,285,507
Other Sources of Funds:			
2006 Debt Service Reserve Release	33,481,076	-	33,481,076
2009 Debt Service Reserve Release	3,288,983	-	3,288,983
Additional PILOT Indenture Funds	2,074,074	-	2,074,074
Total*:	\$917,384,639	\$116,020,000	\$1,033,404,639
<b>Uses:</b>			
Refunding Escrow Deposits	\$861,631,867	\$96,562,279	\$958,194,146
Series 2020 PILOT Bonds Debt Service Reserve Subaccount Deposit	18,504,567	2,443,712	20,948,278
PILOT Bonds Strike Reserve Account Cash Deposit	-	10,470,050	10,470,050
Other Costs of Issuance <sup>1</sup>	37,248,206	6,543,959	43,792,165
Total*:	\$917,384,639	\$116,020,000	\$1,033,404,639

\*Totals may not add due to rounding.

<sup>1</sup> Includes underwriters’ discount, Issuer’s fee, New York State bond issuance fee, upfront premium for the Policy, contingency amount and other costs of issuance.

[Remainder of this page intentionally left blank]



## ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth, for each twelve month-period ending the last day of February of the years shown, the annual debt service requirements for the PILOT Bonds, including the Series 2020 PILOT Bonds and excluding the Refunded PILOT Bonds.

Period Ending February 28/29	2006		2009A		2009A		2020		2020		Series 2006 PILOT Bonds		Estimated Aggregate PILOT Net Debt Service <sup>(3)(4)</sup>
	Principal	Interest <sup>(1)</sup>	Principal <sup>(2)</sup>	Accreted Interest <sup>(3)</sup>	Principal	Interest	Aggregate Gross Debt Service <sup>(3)(4)</sup>	Prepayment Subaccount <sup>(5)</sup>	Ongoing Fees <sup>(6)</sup>	Investment Earnings <sup>(6)(7)</sup>			
2022	-	\$4,628,194	-	-	-	\$28,939,477	\$33,567,671	-	\$710,365	\$1,979,232	\$32,298,803		
2023	\$16,655,000	4,285,101	-	-	-	32,056,036	52,996,137	\$16,655,000	761,194	2,131,973	34,970,358		
2024	17,350,000	3,582,863	-	-	-	32,056,036	52,988,899	17,350,000	817,089	2,120,302	34,335,686		
2025	18,075,000	2,847,758	\$2,421,986	\$7,748,015	-	32,056,036	63,148,794	15,995,000	807,862	2,116,798	45,844,858		
2026	18,835,000	2,078,146	2,203,091	7,971,909	-	32,056,036	63,144,182	-	800,980	2,174,223	61,770,939		
2027	19,630,000	1,273,246	2,005,019	8,179,981	-	32,056,036	63,144,282	-	793,343	2,164,190	61,773,435		
2028	20,475,000	430,999	1,824,701	8,370,299	-	32,056,036	63,157,035	-	768,927	2,049,023	61,876,940		
2029	-	-	1,659,846	8,540,154	\$21,190,000	31,526,286	62,916,286	-	759,583	1,930,349	61,745,520		
2030	-	-	1,511,309	8,703,691	30,750,000	30,227,786	71,192,786	-	749,205	1,917,894	70,024,097		
2031	-	-	1,375,467	8,849,533	32,320,000	28,651,036	71,196,036	-	737,724	1,898,514	70,035,246		
2032	-	-	1,251,741	8,983,260	31,825,000	27,206,536	69,266,536	-	2,555,254	1,882,555	69,939,235		
2033	-	-	1,140,253	9,114,747	33,205,000	25,905,936	69,365,936	-	2,441,544	1,865,908	69,941,572		
2034	-	-	1,038,297	9,231,703	34,280,000	24,782,313	69,332,313	-	2,323,100	1,855,422	69,799,991		
2035	-	-	945,397	9,339,603	35,260,000	23,841,314	69,386,314	-	2,200,059	1,838,207	69,748,166		
2036	-	-	861,189	9,443,811	36,380,000	22,853,975	69,538,975	-	2,071,800	1,819,675	69,791,100		
2037	-	-	784,494	9,540,507	37,225,000	21,789,736	69,339,736	-	1,938,964	1,800,203	69,478,496		
2038	-	-	714,978	9,635,022	38,395,000	20,751,424	69,496,424	-	1,800,337	1,781,798	69,514,963		
2039	-	-	651,654	9,723,346	39,540,000	19,678,386	69,593,386	-	1,655,768	1,762,529	69,486,625		
2040	-	-	594,126	9,810,875	40,815,000	18,473,061	69,693,061	-	1,504,582	1,742,369	69,455,274		
2041	-	-	541,785	9,893,215	42,595,000	17,212,518	70,242,518	-	1,344,986	1,719,130	69,868,374		
2042	-	-	494,184	9,975,816	43,355,000	15,697,100	69,522,100	-	1,231,345	1,694,685	69,058,760		
2043	-	-	451,089	10,058,911	45,155,000	13,926,900	69,591,900	-	1,110,649	1,668,990	69,033,560		
2044	-	-	411,661	10,138,339	47,045,000	12,082,900	69,677,900	-	982,357	1,641,945	69,018,312		
2045	-	-	376,159	10,228,841	49,000,000	10,162,000	69,767,000	-	845,847	1,613,500	68,999,346		
2046	-	-	343,624	10,311,376	51,380,000	8,154,400	70,189,400	-	730,100	1,583,601	69,335,899		
2047	-	-	329,117	10,895,883	50,065,000	6,375,825	67,665,825	-	572,538	1,547,672	66,690,691		
2048	-	-	286,728	10,468,272	55,150,000	4,797,600	70,702,600	-	389,985	1,327,834	69,764,751		
2049	-	-	-	-	65,310,000	2,990,700	68,300,700	-	271,365	1,327,834	67,244,231		
2050	-	-	-	-	67,035,000	1,005,525	68,040,525	-	165,000	663,917	67,541,608		
<b>Total:</b>	<b>\$111,020,000</b>	<b>\$19,126,305</b>	<b>\$24,217,895</b>	<b>\$225,157,106</b>	<b>\$927,275,000</b>	<b>\$609,368,952</b>	<b>\$1,916,165,256</b>	<b>\$50,000,000</b>	<b>\$33,841,852</b>	<b>\$51,620,271</b>	<b>\$1,848,386,837</b>		

(1) Debt Service with respect to Series 2006 PILOT Bonds that are CPI Bonds is based on the fixed interest rates payable by the Issuer under the Series 2006 Swap Transactions (as defined herein) relating to the Series 2006 PILOT Bonds. See "SECURITY FOR THE SERIES 2020 PILOT BONDS—Hedge Agreements for Series 2006 PILOT Bonds," herein.

(2) Principal for the Series 2009 PILOT Bonds has been rounded to the nearest dollar.

(3) Totals may not add due to rounding.

(4) Excludes amounts required to be paid by the Issuer for the payment of debt service on the Refunded PILOT Bonds and the Series 2006 PILOT Bonds maturing on March 1, 2021.

(5) Amounts to be applied to pay the principal amount of the Series 2006 PILOT Bonds maturing on March 1, 2022 and 2023 and a portion of the principal amount of the Series 2006 PILOT Bonds maturing on March 1, 2024 at their respective maturity dates; includes investment earnings.

(6) Includes annual Insurance Premium, Trustee Fees, Rating Agency Fees and Issuer Fees.

(7) Assumes net investment earnings relating to (i) monies on deposit in each subaccount of the PILOT Bonds Debt Service Reserve Account at two and five-tenths percent (2.5%), (ii) monies on deposit in the PILOT Bonds Strike Reserve Account at two percent (2%) and (iii) a float contract relating to monies on deposit in the PILOT Bonds Bond Fund subaccounts relating to the Series 2006 PILOT Bonds and the Series 2020 PILOT Bonds at five and three one-hundredths percent (5.03%); provided, however, that such investment earnings annually may not exceed five and three one-hundredths percent (5.03%) of the monies that would have been on deposit in the PILOT Bonds Bond Fund subaccounts relating to the Series 2006 PILOT Bonds prior to giving effect to the refunding of the Refunded PILOT Bonds.

## THE STADIUM

### Overview

The Stadium is situated on the 14.6 acre, City-owned Site extending from East 161st Street to the mid-block between East 162nd and 164th Streets between the East River and Jerome Avenue in the Bronx, New York. The Stadium is a natural grass, open-air, MLB stadium consisting of approximately 1.3 million square feet. The Stadium commenced operations with the 2009 MLB Season.

All permits, consents, certificates and approvals required in connection with operating and maintaining the Stadium in accordance with the provisions of the Lease Agreement and the Stadium Sublease Agreement have been obtained.

### Real Estate Leases

#### *General*

The Site is owned by the City. Simultaneously with the issuance of the Series 2006 PILOT Bonds, the City leased the Site to the Issuer pursuant to the Ground Lease for the purpose of constructing the Stadium. The Ground Lease expires on August 21, 2105. See **APPENDIX H—“SUMMARY OF THE GROUND LEASE.”**

The Issuer owns the Stadium and has subleased the Site and leased the Stadium to the Company pursuant to the Lease Agreement. The Company agreed under the Lease Agreement, as agent of the Issuer, to construct, operate and maintain the Stadium. The Lease Agreement provides for an initial term (the “*Initial Term*”) expiring in 2049. Subject to the exercise of renewal options by the Company following the expiration of the Initial Term, the Lease Agreement expires on August 20, 2105. The Lease Agreement is subject to certain rights of termination described in this section and in **APPENDIX C—“SUMMARY OF THE LEASE AGREEMENT.”**

Pursuant to the Stadium Sublease Agreement, the Company has subleased the Stadium to the Partnership. The Stadium Sublease Agreement expires on the day prior to the scheduled expiration date of the term of the Lease Agreement. See **APPENDIX I—“SUMMARY OF THE STADIUM SUBLEASE AGREEMENT.”**

#### *Ground Lease*

Under the Ground Lease, the Issuer has appointed the City Parks Department as lease administrator to carry out certain duties of the Issuer under the Ground Lease, with full power and authority to enforce the terms, provisions, covenants and conditions of the Company under the Lease Agreement and to act on behalf of the Issuer, in its capacity as the landlord under the Lease Agreement. The City has reserved the right to remove the City Parks Department as the lease administrator at any time and designate any other agency or instrumentality of the City to serve in such capacity.

#### *Lease Agreement*

The Issuer has subleased the Site and leased the Stadium to the Company pursuant to the Lease Agreement. The Company, as agent of the Issuer, has designed, constructed and equipped, and operates and maintains the Stadium. As described below, the Partnership is required to cause the Team to play substantially all of its Home Games in the Stadium to the extent provided in, and subject to certain exceptions in, the Non-Relocation Agreement. Subject to the requirement described in the preceding

sentence, the Company has the right to use the Stadium, year-round, for any lawful purpose. Under the Stadium Sublease Agreement, the Company has granted to the Partnership the right to use the Stadium for Team events, and any other lawful purposes, including, but not limited to, other entertainment, religious, sporting, cultural, recreational, promotional, community and civic events.

Under the Lease Agreement, the Company pays Base Rent to the Issuer during the Initial Term at an annual rate of Ten Dollars (\$10). If the Company elects to extend the term of the Lease Agreement after the end of the Initial Term, the Base Rent thereafter will be the fair market rental value for the applicable period. See **APPENDIX C—“SUMMARY OF THE LEASE AGREEMENT.”** The Company will make payments of Additional Rent in the amounts and in the manner set forth in the Lease Agreement, which amounts will be applied to the payment of Debt Service on the Issuer’s Rental Bonds, including any Additional Rental Bonds.

Rent paid under the Lease Agreement is not pledged to or available to pay Debt Service on the PILOT Bonds.

As a result of the Stadium being owned by, and the Site having been leased to, the Issuer, no general ad valorem real property taxes are payable on account of the Stadium or the Site. In lieu of such real property taxes, the Company pays PILOTs in accordance with the PILOT Agreement. See **“SECURITY FOR THE SERIES 2020 PILOT BONDS—PILOT Revenues—PILOT Agreement.”**

The Company, as agent of the Issuer, is solely responsible for all maintenance and repair of the Stadium, including, without limitation, all interior and exterior structures, areas (including the playing field), building systems, utility systems, sewer systems, equipment, and fixtures located therein. The Company, as agent of the Issuer, is required to perform all maintenance and repair that is reasonably necessary to cause the Stadium to be in compliance with all requirements under the MLB Trinity and to keep and maintain the Stadium operating as a high-quality (subject to ordinary wear and tear and obsolescence) professional sports facility in a safe, clean and reputable manner and in good repair. The Company is also required to maintain property and liability insurance with respect to the Stadium. See **“Insurance”** below. Although certain limited operational covenants of the Company under the Lease Agreement are assigned to the Bond Trustee, such assignment does not provide a source of payment of Debt Service on the PILOT Bonds.

If the Stadium is damaged or destroyed by casualty, the Lease Agreement will continue unaffected, and the Company will, as agent of the Issuer, restore the Stadium to the condition in which it existed immediately before such casualty as nearly as possible (a *“Casualty Restoration”*) (but not with respect to personal property or equipment belonging to a subtenant). If, however, all or substantially all of the improvements are damaged or destroyed by casualty during the last five (5) Lease Years of the Term of the Lease Agreement, the Company may elect not to perform the Casualty Restoration by terminating the Lease Agreement. If the Company terminates the Lease Agreement due to casualty in the last five (5) Lease Years of the Term while the Series 2020 PILOT Bonds are outstanding, then casualty insurance proceeds will be paid to the Bond Trustee and applied in accordance with the applicable provisions of the PILOT Indenture to the redemption of the PILOT Bonds and the Rental Bonds, subject to the demolition costs described below. See **“THE SERIES 2020 PILOT BONDS—Redemption Provisions—Special Mandatory Redemption.”** At the Issuer’s election in such event, the Company may be required to demolish the Stadium and clear and level the Site, and in such case, insurance proceeds will be disbursed to the Company for the costs of the demolition and the costs of clearing and leveling the Site before application of such proceeds to the redemption of the PILOT Bonds and the Rental Bonds.

In the event of a Substantial Taking, the Lease Agreement will terminate on the Date of Taking. While the PILOT Bonds are outstanding, all awards will be paid to the Bond Trustee and applied in

accordance with the applicable provisions of the PILOT Indenture in the following order of priority: (A) first, to the Issuer for its own account, the value of the Land so taken, (B) second, to the redemption of the PILOT Bonds and the Rental Bonds, the amounts necessary to effect such redemption (see “**THE SERIES 2020 PILOT BONDS—Redemption Provisions – Special Mandatory Redemption**”), (C) third, to any Recognized Mortgagees, an amount equal to all amounts payable under the applicable Mortgages, (D) fourth, to the Company, an amount not to exceed the value of the Company’s remaining leasehold interest in the premises (the “*Premises*”) demised under the Ground Lease and (E) fifth, any balance to the Issuer. The Company and the Partnership each may make a separate claim in the condemnation proceeding for the amount of the loss of value or utility of its personal property and for moving expenses.

If the Taking is less than a Substantial Taking, the Lease Agreement will continue without diminution of the Company’s obligations. The Company will restore the Premises to the condition in which it existed immediately before the Taking as nearly as possible (a “*Condemnation Restoration*”), and all condemnation awards will be paid and applied in the same manner as described above as if such Taking were a casualty. If less than a Substantial Taking occurs during the last five (5) Lease Years of the Term of the Lease Agreement, the Company may elect to terminate the Lease Agreement and not perform a Condemnation Restoration, in which event the Taking awards for the Site and Stadium will be paid in the same manner as a Substantial Taking.

If the Company is obligated (or elects) to perform a Casualty Restoration or Condemnation Restoration, it will commence such Casualty Restoration or Condemnation Restoration within sixty (60) days after adjustment of the casualty insurance claim or payment of the condemnation award, as applicable, subject to Unavoidable Delays and, thereafter, perform such Casualty Restoration or Condemnation Restoration as continuously and diligently as possible. All insurance proceeds (excluding proceeds from “contents” insurance policies carried for personal property separate and apart from the policies required under the Lease Agreement) with respect to any casualty (the “*Restoration Funds*”) will be held by the Bond Trustee under the PILOT Indenture and made available to the Company for the Casualty Restoration, subject to the procedures set forth in the PILOT Indenture. Any Restoration Funds, together with any interest earned thereon, remaining after the completion of a Casualty Restoration will be paid to the Company for its own account. Any proceeds remaining after a Condemnation Restoration is completed are payable to the Issuer.

If the (i) cost of any Casualty Restoration exceeds the aggregate amount of Restoration Funds available to pay for such Casualty Restoration or (ii) estimated cost of any Condemnation Restoration exceeds the aggregate amount of the condemnation proceeds available to pay for such Condemnation Restoration, then the Company, subject to receipt of an approving opinion of Nationally Recognized Bond Counsel, must furnish its own funds for the difference between available Restoration Funds and the cost of such Casualty Restoration or available condemnation proceeds and the cost of such Condemnation Restoration.

If there is a Taking of the use of the Stadium or the Site, whether a Substantial Taking or less than a Substantial Taking, for a temporary period of less than one (1) year in effect, the Lease Agreement will continue, and the Company will receive the payment award for such use.

In accordance with the Ground Lease, to the extent that property insurance proceeds or condemnation awards are payable to the Issuer under the terms of the Ground Lease and/or the Lease Agreement and are not required to be applied to (a) the Restoration of the Stadium, (b) the demolition of the Stadium and the clearing and leveling of the Site, (c) the redemption of the PILOT Bonds and the Rental Bonds, (d) payment to a Recognized Mortgagee under the applicable Mortgage or (e) payment to

the Company for the value of the Company's remaining leasehold interest in the Premises, the Issuer has assigned the applicable proceeds and awards to the City.

Upon the occurrence and continuance of an Event of Default under the Lease Agreement, neither the Issuer nor the Company may exercise any remedy or take any other action which would result in the termination of any of the rights of the Team to use and possess the Land and the Stadium pursuant to the terms of the Lease Agreement and the Sublease Agreement prior to the expiration of a period commencing on the date of the occurrence of such Event of Default and ending on the date that is six (6) months after the date of such commencement (the "*Lease Stay Period*"), provided that if the Lease Stay Period expires during a Team Season, the Lease Stay Period shall be extended to the day after the last day of such Team Season.

### ***Recognition Agreement***

The City has entered into a recognition agreement with the Company agreeing to recognize the Lease Agreement in the event of termination of the Ground Lease, provided that no Event of Default has occurred and is then continuing under the Lease Agreement and the other conditions contained therein are satisfied.

### ***Stadium Sublease Agreement***

Simultaneously with the execution of the Original Lease Agreement, the Company subleased the Stadium to the Partnership pursuant to the Stadium Sublease Agreement.

The Annual Rent payable by the Partnership for each Lease Year during the term of the Stadium Sublease Agreement is the sum of (i) the PILOTs payable by the Company during such Lease Year, (ii) all "Base Rent" and "Additional Rent" payable by the Company under the Lease Agreement during such Lease Year (which amounts are applied in part by the Agency for the payment of debt service on the Rental Bonds), (iii) the approved Annual Budget for the maintenance and operation of the Stadium (including capital improvements) with respect to such Lease Year (as determined pursuant to the Stadium Sublease Agreement) and (iv) amounts payable by the Company during such Lease Year under any tax or interest rate swap agreement or other type of hedging arrangement. In consideration for the Company entering into the PILOT Agreement and Lease Agreement, and in consideration for the Company entering into the Stadium Sublease Agreement with the Partnership, the Partnership assigned to the Company all Ticket Sale and Suite License Proceeds for the term of the Stadium Sublease Agreement pursuant to the Ticket and Suite Assignment.

If at any time there is an adjustment to Annual Rent for the then current Lease Year for any reason, then (i) to the extent such adjustment results in a net decrease in Annual Rent for such Lease Year and the unadjusted Annual Rent for such Lease Year has previously been paid by the Partnership to the Company, the Company must pay to the Partnership an amount equal to the amount of such net decrease in Annual Rent for such Lease Year from and only to the extent of amounts on deposit in a segregated account established by the Company and (ii) to the extent such adjustment results in a net increase in Annual Rent for such Lease Year, the Partnership will pay the amount of such net increase to the Company. For a further discussion, see **APPENDIX I— "SUMMARY OF THE STADIUM SUBLEASE AGREEMENT—Payment of Annual Rent."**

Except as otherwise required by the Ticket and Suite Assignment, the Partnership is entitled to receive and retain all revenues associated with the operation of the Stadium.

Under the Stadium Sublease Agreement, the Company is responsible for operating and maintaining the Stadium as described above under “**Lease Agreement.**”

As described above, the Lease Agreement obligates the Company to restore the Stadium in the event of a casualty or a partial condemnation. If, however, the Company has the right to terminate the Lease Agreement on account of a casualty or partial condemnation, the Partnership will have the right to terminate the Stadium Sublease Agreement, and the Company will not terminate the Lease Agreement unless the Partnership elects to terminate the Stadium Sublease Agreement.

The Stadium Sublease Agreement provides that upon the occurrence and during the continuance of an Event of Default thereunder, a party may not exercise any remedy or take any other action which would result in the termination of any of the rights of the Team to use and possess the Site and the Stadium in accordance with the Stadium Sublease Agreement prior to the expiration of a period (the “*Stadium Sublease Stay Period*”), commencing on the date of the occurrence of such Event of Default and ending on the date that is six (6) months after the date of such occurrence, provided that if the Stadium Sublease Stay Period expires during a Team Season, the Stadium Sublease Stay Period will be extended to the day after the last day of such Team Season.

#### ***Subordination Non-Disturbance Agreement***

The PILOT Trustee and the Partnership have entered into a subordination, non-disturbance and attornment agreement relating to the PILOT Mortgages (the “*PILOT SNDA*”) whereby the PILOT Trustee agrees not to disturb the Partnership’s occupancy of the Stadium in the event of a foreclosure of any of the PILOT Mortgages, provided that no Event of Default has occurred and is then continuing under the Stadium Sublease Agreement and the other conditions contained therein are satisfied.

**None of the lease payments made under the Ground Lease, the Lease Agreement or the Stadium Sublease Agreement have been or will be pledged to or be available for the payment of Debt Service on the Series 2020 PILOT Bonds. Neither the PILOT Bondholders nor the Bond Trustee will have any right to enforce the rental provisions or remedies for nonpayment under the Ground Lease, the Lease Agreement or the Stadium Sublease Agreement. SEE “SECURITY FOR THE SERIES 2020 PILOT BONDS—Special Limited Obligations.”**

#### ***Stadium Holdco Note Purchase Agreement***

Stadium Holdco issued two tranches of senior secured notes (the “*Notes*”) in the aggregate principal amount of \$275,000,000 under a note purchase agreement dated as of June 4, 2020 (the “*Note Purchase Agreement*”) with the noteholders thereunder and Deutsche Bank Trust Company Americas, in its capacity as collateral agent. One tranche of the Notes in the aggregate principal amount of \$150,000,000 has a ten-year term. The other tranche of the Notes in the aggregate principal amount of \$125,000,000 has a twenty-year term. The Note Purchase Agreement proceeds afforded the Company and its affiliates with greater liquidity and otherwise improved the overall financial wherewithal of the Company and its affiliates. A portion of the proceeds covered by the Note Purchase Agreement was used to fund interest payments on the Notes through June 1, 2022.

Under the Stadium Sublease Agreement, the Company is entitled to retain an amount (the “*Excess Proceeds*”) equal to (i) all amounts received from time to time by the Company from any source, including, but not limited to, amounts received from the Partnership under the Ticket and Suite Assignment less (ii) the Annual Rent for the then-current Lease Year. Under the Company Assignment Agreement, dated as of June 4, 2020, by and between the Company and Stadium Holdco (the “*Company Assignment*”), the Company assigns the Excess Proceeds to Stadium Holdco. Stadium Holdco’s

obligations under the Notes and Note Purchase Agreement are paid from the Excess Proceeds. Pursuant to the Issuer Assignment Agreement, dated as of June 4, 2020, between Stadium Holdco and the Company (the “*Stadium Holdco Assignment*”), Stadium Holdco assigns to the Company an amount (the “*Distributed Remaining Proceeds*”) of the Excess Proceeds, if any, remaining after the payment by Stadium Holdco of principal and interest then due and owing under the Note Purchase Agreement and funding debt service reserve amounts under the Note Purchase Agreement. The Company’s right to receive the Distributed Remaining Proceeds is further subject to there being no default or event of default under the Note Purchase Agreement and Stadium Holdco complying with debt service coverage and consolidated debt service coverage ratios for the most recently-ended six-month period (i.e., January 1st through June 30th or July 1st through December 31st) commencing after December 31, 2022 and projected debt service coverage and consolidated debt service coverage ratios for the then next fiscal year. On each occasion, if any, that the Company receives Distributed Remaining Proceeds, the Company will, in turn, on the date it receives such Distributed Remaining Proceeds, deliver the Distributed Remaining Proceeds to the Partnership.

As security for Stadium Holdco’s obligations under the Note Purchase Agreement, Stadium Holdco has granted to the collateral agent under the Note Purchase Agreement a lien on all of the Stadium Holdco’s assets, including, without limitation, a pledge of all of Stadium Holdco’s ownership interests in the Company. See “**RISK FACTORS AND INVESTMENT CONSIDERATIONS—Risks Associated with Pledge of Company Equity as Collateral.**”

#### ***Parking Lots and Garages***

Bronx Parking Development Company, LLC (“*BPDC*”) is the lessee under a lease agreement (the “*Parking Lease*”) with the City with respect to certain parking facilities in the vicinity of the Stadium and consisting of both parking garages and surface lots (collectively, the “*Parking Facilities*”). Pursuant to the terms of the Parking Lease, BPDC is responsible for ensuring that the Parking Facilities are operated and maintained in a safe, secure, clean and reputable manner, and conducting all necessary repairs, replacements and improvements consistent with first-class parking facilities. In order to finance the construction and/or renovation of the Parking Facilities, BPDC applied to the Issuer for the issuance of, and the Issuer issued, certain tax-exempt revenue bonds (the “*BPDC Bonds*”) in 2007. BPDC’s leasehold interest in the Parking Facilities is pledged as security for the BPDC Bonds.

Shortly after commencing operations of the Parking Facilities, BPDC began experiencing financial difficulties which led to a payment default on the BPDC Bonds in 2013. BPDC has been attempting to restructure the BPDC Bonds for some time but has been unsuccessful to date. BPDC is currently in default with respect to the BPDC Bonds. As a result of the continuing defaults in connection with the BPDC Bonds, the holders of the BPDC Bonds through their indenture trustee may at any time determine to take adverse action against BPDC or the Parking Facilities. In addition, as a result of the defaults in connection with the BPDC Bonds, the City has issued a notice to BPDC of an Event of Default under the Parking Lease on August 21, 2020. There can be no assurance as to the ultimate outcome of any dispute between the holders of the BPDC Bonds and BPDC or the City and BPDC; and any such ultimate outcome may have a materially adverse effect on the operation or availability of the Parking Facilities. The Company and the Partnership have certain contractual rights to use certain of the Parking Facilities for events at the Stadium including parking by fans for Team Home Games.

Neither the Company nor the Partnership bears any of the costs of, or receives any of the revenues from, the Parking Facilities or has any ownership or operational control over the Parking Facilities.

## Insurance

The Lease Agreement requires that the Company, as tenant of the Issuer, maintain certain insurance coverage for itself and the Issuer. The coverages and limits summarized below reflect the insurance requirements of the Lease Agreement. The Company has been and is currently in compliance with its insurance obligations under the Lease Agreement.

The Issuer is named as an additional insured on the General Liability, Motor Vehicle Liability and Excess Liability coverages required under the Lease Agreement. The Issuer is provided with a waiver of subrogation on the General Liability, Motor Vehicle Liability, Excess Liability and Workers' Compensation coverages required under the Lease Agreement.

A. Property insurance coverage on a manuscript "all risk" form similar to the ISO Causes of Loss-Special Form and subject to the Issuer's reasonable approval in an amount not less than the full replacement value of the Stadium, including the following coverages:

(i) Loss or damage by fire, lightning, windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles, smoke, other risks from time to time included under "all risk" or "extended coverage" policies, earthquake, flood (earthquake and flood coverage may be subject to an annual aggregate limit of not less than \$100,000,000), certified and non-certified terrorism (subject to commercially reasonable availability), sabotage, collapse, sinkhole and subsidence.

(ii) Increased cost of construction coverage, debris removal, and building ordinance and law coverage to pay for loss of "undamaged" property which may be required to be replaced due to enforcement of local, state, or federal ordinances, subject to a sublimit of \$25,000,000.

(iii) Off-site coverage and transit coverage, each with a per occurrence limit of \$1,500,000.

(iv) Boiler and machinery coverage on a comprehensive basis applying to the entire heating, ventilation, air-conditioning, mechanical and electrical systems, including breakdown and repair, with a limit of not less than \$100,000,000.

(v) Business interruption insurance on an "all risk" basis not less than the sum of Base Rent, Additional Rent and PILOTs; extra expense coverage in an amount not less than \$25,000,000; and business interruption insurance in an amount not greater than \$50,000,000.

(vi) A sublimit of not less than \$500,000 for on-site clean up required as a result of the occurrence of an insured risk.

B. Commercial general liability insurance, including bodily injury and property damage; and personal and advertising injury liability, issued on an occurrence form, including products/completed operations coverage, with an each occurrence limit of not less than \$1,000,000, an annual aggregate limit of not less than \$2,000,000, and a products-completed operations aggregate limit of not less than \$2,000,000.

C. Commercial excess liability coverage following the form of the primary liability coverage in the amount of not less than \$100,000,000 each occurrence and in the aggregate.



Coverage applies in excess of the commercial general liability insurance, motor vehicle insurance and employer's liability insurance.

D. Motor Vehicle Liability Insurance; Workers' Compensation Insurance and New York State Disability Benefits Insurance in statutory amounts; and Employer's Liability Insurance.

## **SECURITY FOR THE SERIES 2020 PILOT BONDS**

### **General**

The Series 2020 PILOT Bonds are special limited obligations of the Issuer payable from and secured equally and ratably with all other PILOT Bonds by: (i) the PILOT Revenues, (ii) all right, title and interest of the Issuer in and to the Funds and Accounts under the PILOT Indenture (other than the PILOT Bonds Renewal Fund, the PILOT Bonds Rebate Fund and the Series 2006 PILOT Bonds Principal Prepayment Subaccount in the PILOT Bonds Special Reserve Account), including, for each Series, the related PILOT Bonds Debt Service Reserve Fund Subaccount of the PILOT Bonds Debt Service Reserve Fund Account, and (iii) all right, title and interest of the Bond Trustee in the Debt Service and Reimbursement Fund under the PILOT Assignment. The Company is obligated under the PILOT Agreement to pay PILOTs to the Issuer. Under the PILOT Assignment, the Issuer has assigned its rights to PILOTs under the PILOT Agreement to the PILOT Trustee and the PILOT Trustee is required to transfer PILOTs to the Bond Trustee in an amount sufficient to pay Debt Service and other amounts due on the PILOT Bonds and certain other amounts payable by the Bond Trustee. PILOT Revenues are comprised of PILOTs that are transferred to and actually received by the Bond Trustee pursuant to the PILOT Assignment.

### **Special Limited Obligations**

**The Series 2020 PILOT Bonds are special limited obligations of the Issuer payable solely from, and secured by, PILOT Revenues derived from PILOTs paid by the Company pursuant to the PILOT Agreement and amounts on deposit in certain Funds and Accounts held under the PILOT Indenture. Neither the State nor the City is or shall be obligated to pay the principal of or interest on the PILOT Bonds and neither the faith and credit nor the taxing power of the State or the City is pledged to such payment. The Issuer has no taxing power.**

**The Series 2020 PILOT Bonds do not constitute an obligation of the Company, the Partnership, the Team or any of their respective affiliates. The Series 2020 PILOT Bonds are not secured by any interest in the Stadium nor any property of or interest in the Company, the Partnership, the Team or any of their respective affiliates.**

### **PILOT Revenues**

#### ***City Resolutions***

Local Law 73 of 2005 of the City provides that payments in lieu of real property taxes that have not been remitted to the City's general fund may only be spent pursuant to one or more agreements between the Mayor of the City and the City Council and that such agreement or agreements must be approved by resolution of the City Council. On October 27, 2005, the City Council adopted Preconsidered Resolution No. 1214-2005 approving the agreement dated October 27, 2005, between the Mayor and the City Council, which resolution provides that payments in lieu of real property taxes may only be spent in the manner described in such October 27, 2005 agreement. Pursuant to Preconsidered

Resolution No. 0259-2006 dated April 26, 2006, the City Council amended the October 27, 2005 agreement to permit the PILOTs to be applied to costs associated with the development of the Stadium. In particular, Preconsidered Resolution No. 0259-2006 permits the assignment and sale of the contract right to receive the PILOTs to a trustee to secure and repay tax-exempt bonds and financing arrangements related thereto which are issued or undertaken by the Issuer to fund the Stadium, the funding of any costs and expenses in connection therewith, and the funding of other costs and expenses relating to the Stadium including operation and maintenance.

### ***PILOT Agreement***

Under the PILOT Agreement, the Company pays PILOTs, without diminution, deduction or set-off whatsoever, and without prior notice or demand. The expected amounts of such PILOTs and the frequency of payment thereof are set forth on Schedule A attached to the PILOT Agreement and are described herein under “**INTRODUCTION—PILOT Revenues.**” The PILOT Agreement provides for payment of PILOTs on an annual basis due no earlier than January 15 and no later than February 1 of each year.

Notwithstanding the foregoing, under the PILOT Agreement, PILOTs may not exceed real property taxes which would have been levied with respect to the Stadium and the Site by the City’s Department of Finance were the Stadium and the Site not exempt from general ad valorem real property taxes by virtue of the Issuer’s interest therein. See “**SECURITY FOR THE SERIES 2020 PILOT BONDS—PILOT Revenues—Projected PILOT.**”

### ***PILOT Assignment***

Payment of the principal of, Sinking Fund Installments, if any, premium, if any, and interest on the PILOT Bonds, including the Series 2020 PILOT Bonds, is expected to be made from a portion of the PILOTs received by the PILOT Trustee under the PILOT Assignment, pursuant to which the Issuer pledges, assigns, transfers and sets over to the PILOT Trustee all the Issuer’s right to and interest in all PILOTs due or to become due under the PILOT Agreement, except for Agency’s Unassigned PILOT Rights.

Pursuant to the PILOT Assignment, the PILOT Trustee establishes and maintains the PILOT Fund, into which fund the PILOT Trustee deposits all amounts received by it pursuant to the PILOT Agreement and the PILOT Assignment, and any other amounts required or permitted to be deposited therein pursuant to the provisions of the PILOT Assignment. While the PILOT Bonds are outstanding, amounts so deposited into the PILOT Fund are transferred:

- (i) FIRST, to the Debt Service and Reimbursement Fund, immediately upon receipt by the PILOT Trustee from the Bond Trustee of the Initial PILOT Certificate setting forth the Bond Year Requirement for the Bond Year that first commences after the date on which the Master PILOT Indenture requires the Bond Trustee to deliver such Initial PILOT Certificate, and in any event no later than the February 1 preceding the commencement of such Bond Year: PILOT Receipts in an amount equal to the Bond Year Requirement set forth in such Initial PILOT Certificate; provided, however, that if in any PILOT Year no Initial PILOT Certificate is received by the PILOT Trustee from the Bond Trustee by February 1, the PILOT Trustee shall transfer to the Debt Service and Reimbursement Fund on February 1 of such PILOT Year an amount equal to the Bond Year Requirement for the Bond Year that ends during such PILOT Year; and

(ii) SECOND, to the O&M Fund, immediately after the transfer described in (i) above, but only to the extent that all deposits, transfers or payments as described in paragraph (i) above have been made and all requirements with respect thereto have been fully and completely satisfied (including the curing of any deficiencies in prior deposits, transfers or payments): all monies remaining in the PILOT Fund after the transfer described in paragraph (i) above.

Under the PILOT Assignment, the PILOT Trustee holds the Debt Service and Reimbursement Fund for the benefit of, and such account is pledged to, the Bond Trustee. PILOT Receipts held by the PILOT Trustee while PILOT Bonds are outstanding are to be applied for the following purposes in the priority in which listed (including curing any deficiencies in prior deposits, transfers or payments), the requirements of each deposit, transfer or payment to be fully satisfied, leaving no deficiencies, prior to any deposit, transfer or payment later in priority, except as otherwise specifically described below:

(i) FIRST, from the Debt Service and Reimbursement Fund, on each date on which an amount of PILOT Receipts is deposited to such Debt Service and Reimbursement Fund, the PILOT Trustee is to immediately transfer such amount of PILOT Receipts to the Bond Trustee, in any event in an aggregate amount such that upon the final transfer to the Bond Trustee of PILOT Receipts relating to a particular PILOT Year, the amount so transferred to the Bond Trustee is equal to the Bond Year Requirement for the Bond Year that begins during such PILOT Year; and

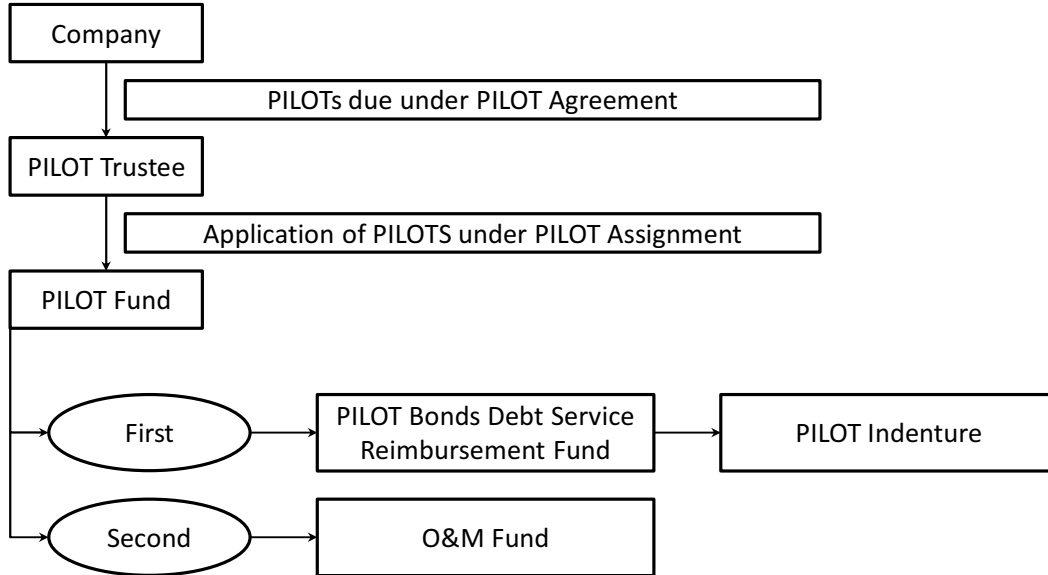
(ii) SECOND, immediately after the transfer described in paragraph (i) above, but only to the extent that all deposits, transfers or payments as described in paragraph (i) above have been made and all requirements with respect thereto have been fully and completely satisfied (including the curing of any deficiencies in prior deposits, transfers or payments) from the O&M Fund, the PILOT Trustee is to transfer to the Company, as agent of the Issuer, the amount on deposit in the O&M Fund, provided that, by its acceptance of any amount so transferred, the Company shall be deemed to covenant (A) to expend such monies on costs of operation and maintenance of the Stadium incurred pursuant to the Lease Agreement; (B) to keep such monies in a segregated account, not commingled with any monies of the Company, until they are so expended; (C) to maintain reasonably sufficient records of the expenditure of such monies so as to be able to demonstrate that such expenditure complies with clause (A), above; and (D) to provide a certification to the PILOT Trustee and the Issuer, if and when requested, but in no event more frequently than twice in any PILOT Year, as to compliance with clause (A), above, including copies of any records described in clause (C), above, necessary to substantiate such certification.

The PILOT Assignment also provides for the allocation of PILOT Receipts upon the occurrence of certain unexpected events, such as a failure by the Bond Trustee to deliver the Initial PILOT Certificate when required under the Indenture. See **APPENDIX E—“SUMMARY OF THE PILOT ASSIGNMENT AND ESCROW AGREEMENT.”**

[Remainder of this page intentionally left blank]

**Summary of Collection and Application of PILOTs**

The following chart illustrates the collection and application of PILOTs under the PILOT Agreement and the PILOT Assignment.



**Projected PILOT**

Under the PILOT Agreement, the Company agrees to pay, as PILOTs, the amounts set forth on Schedule A attached to the PILOT Agreement and described herein under “**INTRODUCTION—PILOT Revenues;**” provided, however, that in no event will the Company be required to pay PILOTs in any PILOT Year in an amount greater than the real property taxes and assessments for such PILOT Year which would have been levied upon or with respect to the Stadium and the Site if the Stadium and the Site were not exempt from general ad valorem real property taxes by virtue of the Issuer’s interest therein (the “*Actual Taxes*”). The Issuer computes or causes the Actual Taxes to be computed (without regard to any discretionary reduction thereof or exemption therefrom for which the Stadium might otherwise be eligible under any law or regulation other than the Act) no later than December 1 of each year, as follows: the Issuer or its designee multiplies the applicable assessment of the Stadium and the Site, as most recently determined by the City, by the tax rate then applicable to Class Four Property, or any successor property classification established by the City that would otherwise be applicable to the Stadium, for purposes of levying real property taxes on the Stadium, if the Stadium were subject to real property taxation. Such computation of the Actual Taxes shall be conclusive, absent manifest error, and written notice of the amount of the Actual Taxes is to be provided by the Issuer to the Company on or prior to December 15 of each year; provided, however, that any failure by the Issuer to provide such notice shall not alter, reduce or diminish the obligation of the Company to pay such PILOTs when due.

**Calculation of Actual Taxes and Assessments**

Pursuant to the PILOT Agreement, Actual Taxes are to be calculated by multiplying (x) the applicable assessment of the Stadium and the Site as most recently determined by the City by (y) the tax rate then applicable to Class Four Property, or any successor property classification established by the City that would otherwise be applicable to the Stadium and the Site for the purpose of levying general ad valorem real property taxes on the Stadium and the Site, if the Stadium and the Site were subject to real

property taxes. The applicable assessment of the Stadium and the Site, for purposes of the calculation of Actual Taxes under the PILOT Agreement, is determined by the City under applicable law by multiplying (A) the then-applicable Market Value (defined herein) of the Stadium and the Site, by (B) the Equalization Ratio (currently forty-five percent (45%)).

The New York City Department of Finance (“Finance”) calculates property values and assessments for all property in the City, including the Stadium, annually. Information about City property taxes is available on the Finance website at [www.nyc.gov/finance](http://www.nyc.gov/finance). Specific website addresses provided herein are accurate as of the date hereof, but are subject to change at any time and without notice. Information about the methodology that Finance uses to calculate assessments can be found at <https://www1.nyc.gov/site/finance/taxes/calculating-your-property-taxes.page>. Finance’s calculation of estimated market value for the Stadium, is available by searching for the Stadium by Block and Lot Number (Borough: Bronx, Block 2493, Lot 1) in the City’s Property Assessment Roll, available at <https://a836-pts-access.nyc.gov/care/search/commonsearch.aspx?mode=persprop>. Finance’s calculation of estimated market value for the Stadium in fiscal tax year 2020-21 is available at <https://a836-edms.nyc.gov/dctm-rest/repositories/dofedmspts/StatementSearch?bbl=2024930001&stmtDate=20200115&stmtType=NPV>.

Set forth below is the historic property assessment information for the Stadium for the five most recent fiscal tax years.

<b>Year<sup>1</sup></b>	<b>Estimated Market Value</b>	<b>Actual Assessed Value (45% of Estimated Market Value)</b>	<b>Transitional Assessed Value</b>
2021	\$2,587,563,000	\$1,164,403,350	\$984,645,450
2020	2,212,973,000	995,837,850	935,393,130
2019	2,077,593,000	934,916,850	911,138,760
2018	2,000,201,000	900,090,450	896,568,192
2017	2,062,175,000	927,978,750	881,506,404

Source: New York City Department of Finance.

1. For purposes of this table, the term “year” shall refer to the fiscal tax year of the City beginning on July 1 of the preceding calendar year and ending on June 30 of such calendar year.

For a detailed explanation of the calculation of assessments relating to the Stadium and the Site, see **APPENDIX D—“SUMMARY OF THE PILOT AGREEMENT.”**

[Remainder of this page intentionally left blank]

Real estate taxes in the City are calculated by applying the tax rate (which is set every year by the City Council) to the assessed value of the property. The tax rate applied by the City to determine taxes for Class Four Property (which includes the Stadium) for the 2020/2021 fiscal year is 10.694%. Although tax rates may change from year to year, the current rate is within the general parameters established by the City in recent years.

Set forth below are historic property tax rates applicable to Class Four Property for the 2009 through 2021 fiscal tax years.

**New York City  
Historic Property Tax Rate**

<u>Year<sup>1</sup></u>	<u>Rate</u>	<u>Year<sup>1</sup></u>	<u>Rate</u>	<u>Year<sup>1</sup></u>	<u>Rate</u>
2021	10.694	2016	10.656	2011	10.312
2020	10.537	2015	10.684	2010	10.426
2019	10.514	2014	10.323	2009 <sup>2</sup>	10.612
2018	10.514	2013	10.288	2009 <sup>3</sup>	9.870
2017	10.574	2012	10.152		

Source: New York City Department of Finance.

1. For purposes of this table, the term “year” shall refer to the fiscal tax year of the City beginning on July 1 of the preceding calendar year and ending on June 30 of such calendar year.
2. Property tax rates for the third and fourth quarters of the fiscal tax year.
3. Property tax rates for the first and second quarters of the fiscal tax year.

The descriptions of information available on Finance’s website is current as of the date hereof. The information contained on the website is not incorporated by reference herein, and no representation is made by the Issuer, the Company, its affiliates or the Underwriters as to the completeness or accuracy of the information contained therein.

***Enforcement of PILOT Obligation—PILOT Mortgages***

The obligation of the Company under the PILOT Agreement to pay PILOTs during each PILOT Year during the Initial Term is secured by a PILOT Mortgage with respect to such PILOT Year, granted by the Company and the Issuer to the Issuer and assigned to the PILOT Trustee encumbering the Company’s and the Issuer’s respective interests in and to the Stadium and the Site. Therefore, each PILOT Mortgage is (a) subject and subordinate to the PILOT Mortgage securing the obligation to pay PILOTs corresponding to any succeeding PILOT Year, and (b) paramount in lien to the PILOT Mortgage securing the obligation to pay PILOTs corresponding to any preceding PILOT Year. As a result, in case of any payment default under a PILOT Mortgage and subsequent foreclosure of such PILOT Mortgage by the PILOT Trustee, the liens of each PILOT Mortgage securing PILOTs due in subsequent PILOT Years will survive such foreclosure and retain their priority.

Upon a failure of the Company to pay PILOTs for a given PILOT Year in accordance with the PILOT Agreement (a “*PILOT Mortgage Default*”), the PILOT Trustee may exercise the rights and remedies set forth in the corresponding PILOT Mortgage, which include the right to institute proceedings to foreclose the lien of a PILOT Mortgage against all or part of the Issuer’s and the Company’s respective interests in the Stadium. However, the exercise of the rights of the PILOT Trustee specified in a PILOT Mortgage will be expressly subject to the satisfaction of the following conditions precedent:

- (i) the failure to pay any of the PILOT Obligations (as defined in each PILOT Mortgage), or any interest or late payment charges thereon, as specified in the PILOT Agreement, as and when payment of such PILOT Obligations, interest or late payment charges thereon were

due, constituting such PILOT Mortgage Default, provided such failure of payment shall have continued unremedied for a period of one (1) year after the date any such PILOT Obligations, interest or late payment charges thereon were due in accordance with the terms of the PILOT Agreement;

(ii) at least ten (10) weeks before the exercise of any such rights or remedies, the PILOT Trustee shall have given the Company, the Issuer, the Partnership, the Commissioner of Finance of The City of New York and the holder of record of any other mortgage encumbering all or any portion of the Stadium, the Site or other portion of the Mortgaged Property (as defined in the PILOT Mortgage) that is subordinate in lien to the lien of a PILOT Mortgage (each, a “*Subordinate Mortgage*”) written notice of (A) the failure to pay any of the PILOT Obligations, interest or late payment charges thereon, as and when such PILOT Obligations, interest or late payment charges thereon were due, and (B) the intent of the PILOT Trustee to exercise its rights and remedies under the PILOT Mortgage unless such failure is cured within ten (10) weeks after the date of such notice (the “*Foreclosure Notice*”); and

(iii) a copy of the Foreclosure Notice shall have been published at least once a week for six (6) consecutive weeks in (A) the City Record and (B) two newspapers, one of which may be a law journal and the other of which is circulated generally in the borough of the Bronx, the first such publication to occur at least ten (10) weeks before the exercise of any of such rights or remedies.

In addition, the PILOT Trustee is not to exercise any remedy or take any other action which would result in the termination of any of the rights of the Partnership to use the Stadium in accordance with and pursuant to the terms of the Stadium Sublease Agreement prior to the expiration of a period (the “*PILOT Stay Period*”) commencing on the date of the occurrence of such PILOT Mortgage Default and ending on the date that is six (6) months after the date of such commencement, provided that if the PILOT Stay Period expires during a Team Season, the PILOT Stay Period shall be extended to the day after the last day of such Team Season.

The Stadium and the Site are exempt from general ad valorem real property taxes because the Site is owned by the City and is leased to the Issuer and the Stadium is owned by the Issuer. Although the PILOT Mortgages do not create statutory liens to secure the payment of PILOTs, the annual PILOT Mortgage structure is intended to impose liens on the respective interests of the Issuer and the Company in the Stadium and the Site that are similar in certain respects to the liens held by taxing authorities for unpaid general ad valorem real property taxes, and to provide for remedies that approximate the remedies that would ordinarily be exercised in the event of nonpayment of general ad valorem real property taxes. In addition, since no general ad valorem real property taxes are payable in connection with the Stadium or the Site, no liens of any taxing jurisdictions with respect to any general ad valorem real property taxes can obtain priority over the liens of the PILOT Mortgages.

**Although the PILOT Mortgages secure the payment of PILOTs by the Company to the PILOT Trustee under the PILOT Agreement, the PILOT Mortgages are not assigned to the Bond Trustee and do not constitute security for the PILOT Bonds. PILOT Bondholders, including Series 2020 PILOT Bondholders, have no rights under the PILOT Mortgages and the PILOT Bonds are not secured by any interest in the Stadium. In connection with the issuance of the Series 2009 PILOT Bonds, a title insurance policy was procured with respect to the PILOT Mortgage securing the PILOTs to be paid in the final PILOT Year. No other PILOT Mortgages are or are anticipated to be insured by a title insurance policy.**

***No Impairment***

The State and, pursuant to the PILOT Assignment, the City, to the fullest extent permitted by Section 868 of the Act, acknowledge, covenant and agree for the benefit of the holders of the PILOT Bonds that the State and the City will not limit or alter the rights vested in the Issuer under the Act, to establish and collect the PILOTs and to fulfill the terms of the PILOT Agreement, the PILOT Assignment and the other Bond Documents entered into on behalf of the holders of the PILOT Bonds, nor will the State or the City in any way impair the rights and remedies of the PILOT Trustee, the Bond Trustee or the holders of the PILOT Bonds until the PILOT Bonds, together with interest thereon, with interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the holders of the PILOT Bonds are fully met and discharged.

[Remainder of this page intentionally left blank]



**Historical PILOT**

PILOT Payments are due and payable by February 1 of each year. Under the PILOT Indenture, PILOT Payments are applied to payment obligations accruing in the immediately succeeding Bond Year commencing March 1 and ending February 28 or February 29, as the case may be. The following table sets forth historical PILOT Payments under the PILOT Agreement available for the referenced Bond Year as well as the calculation of Actual Taxes for the corresponding fiscal year of the City, calculated under and in accordance with the PILOT Agreement. PILOTs may not exceed Actual Taxes. See “SECURITY FOR THE SERIES 2020 PILOT BONDS—PILOT Revenues—Calculation of Actual Taxes and Assessments.”

<b>Bond Year Ending 2/28 or 2/29</b>	<b>Actual Taxes<sup>1</sup></b>	<b>PILOTs</b>	<b>Bond Year Ending 2/28 or 2/29</b>	<b>Actual Taxes<sup>1</sup></b>	<b>PILOTs</b>
2021	\$105,297,984	\$84,233,122	2015	\$89,195,870	\$78,995,950
2020	98,562,374	84,237,081	2014	84,357,075	77,446,597
2019	95,797,129	84,235,529	2013	82,548,773	75,923,612
2018	94,265,180	83,831,196	2012	76,753,081	74,435,209
2017	93,210,487	82,186,202	2011	77,205,815	66,413,055
2016	91,733,983	80,574,202			

1. Figures are rounded.

**Scheduled PILOT**

The following table sets forth scheduled PILOT Payments under the PILOT Agreement available for the referenced Bond Year as set forth below:

<b>Bond Year Ending 2/28 or 2/29</b>	<b>Scheduled PILOT</b>	<b>Bond Year Ending 2/28 or 2/29</b>	<b>Scheduled PILOT</b>
2022	\$84,233,468	2037	\$84,235,961
2023	84,236,952	2038	84,236,021
2024	84,237,998	2039	84,235,724
2025	84,235,684	2040	84,237,726
2026	84,233,659	2041	84,232,148
2027	84,236,509	2042	84,236,110
2028	84,235,118	2043	84,237,078
2029	84,232,735	2044	84,234,321
2030	84,235,554	2045	84,237,759
2031	84,233,444	2046	84,235,888
2032	84,233,544	2047	84,235,290
2033	84,237,713	2048	84,234,249
2034	84,236,587	2049	81,463,640
2035	84,236,970	2050	81,464,019
2036	84,234,566		

## **Indenture**

### ***General***

The Series 2020 PILOT Bonds are special limited obligations of the Issuer, payable from and secured equally and ratably with all PILOT Bonds by: (i) the PILOT Revenues; (ii) all right, title and interest of the Issuer in and to the Funds and Accounts under the PILOT Indenture (other than the PILOT Bonds Renewal Fund, the PILOT Bonds Rebate Fund and the Series 2006 PILOT Bonds Principal Prepayment Subaccount in the PILOT Bonds Special Reserve Account), including, for each Series, the related PILOT Bonds Debt Service Reserve Fund Subaccount of the PILOT Bonds Debt Service Reserve Fund Account; and (iii) all right, title and interest of the Bond Trustee in the Debt Service and Reimbursement Fund under the PILOT Assignment. The Series 2020A PILOT Bonds and Series 2020B PILOT Bonds are secured equally and ratably by amounts on deposit in the Series 2020 PILOT Bonds Debt Service Reserve Subaccount. The Series 2020 PILOT Bonds are not secured by the Series 2006 PILOT Bonds Debt Service Reserve Subaccount or the Series 2009 PILOT Bonds Debt Service Reserve Subaccount. See “**SECURITY FOR THE SERIES 2020 PILOT BONDS—PILOT Bonds Debt Service Reserve Fund,**” “**—PILOT Bonds Strike Reserve Account;**” **APPENDIX B—“SUMMARY OF THE PILOT INDENTURE.”**

### **Flow of Funds Under the PILOT Indenture**

Pursuant to the PILOT Indenture, all PILOT Revenues are deposited with the Issuer to the credit of the PILOT Bonds Revenue Fund established under the PILOT Indenture. The Bond Trustee will make the following transfers from the PILOT Bonds Revenue Fund in the order of priority set forth below:

On the 1st of February in each Bond Year, subject to credits for amounts already on deposit in the Funds, Accounts and subaccounts described below:

(1) To the PILOT Bonds Administrative Cost Account in the PILOT Bonds Project Fund, an amount equal to one hundred percent (100%) of Bond Fees (which may include annual premiums for bond insurance) payable and the Agency’s administrative costs payable in connection with the administration of the PILOT Assignment and the PILOT Indenture in the next succeeding Bond Year, as set forth in the Initial PILOT Certificate;

(2) To each subaccount established with respect to a Series of PILOT Bonds in the PILOT Bonds Interest Account in the PILOT Bonds Bond Fund, an amount equal to one hundred percent (100%) of Annual Debt Service with respect to interest accruing on such Series of Outstanding PILOT Bonds and any related Parity Reimbursement Obligations and Regularly Scheduled Swap Payments under related Parity Swap Obligations payable in the next succeeding Bond Year, as set forth in the Initial PILOT Certificate, provided that, for the purposes of computing the amount to be deposited in such subaccount, there shall be excluded from the balance of such subaccount the amount, if any, set aside in such subaccount (A) for the payment of interest accrued and unpaid and to accrue on such Series of PILOT Bonds or Parity Debt to the last day of the then current Month and (B) if interest is required to be paid to holders of such Series of PILOT Bonds or Parity Debt during the next succeeding Month on the day other than the first day of such Month, for the payment of interest accrued and unpaid and to accrue on such Series of PILOT Bonds or Parity Debt to the day through and including which such interest is required to be paid in accordance with the PILOT Indenture; and

(3) To each subaccount established with respect to a Series of PILOT Bonds in the PILOT Bonds Principal Account in the PILOT Bonds Bond Fund, an amount equal to one

hundred percent (100%) of Annual Debt Service with respect to principal or Sinking Fund Installments of such Series of Outstanding PILOT Bonds and any related Parity Reimbursement Obligations payable in the next succeeding Bond Year, as set forth in the Initial PILOT Certificate.

On the 24th day of each calendar month, the Bond Trustee shall make the following transfers from the PILOT Bonds Revenue Fund in the following order, subject to credits for amounts already on deposit in the Funds, Accounts and subaccounts described below as a result of the deposits made as described above:

(1) To the PILOT Bonds Administrative Cost Account in the PILOT Bonds Project Fund, an amount equal to the accrued Bond Fees as of the last day of the then current Month and, if Bond Fees are required to be paid during the next succeeding Month on a day other than the first day of such Month, accrued Bond Fees as of the day through and including the day on which such Bond Fees are required to be paid;

(2) To each subaccount established with respect to a Series of PILOT Bonds in the PILOT Bonds Interest Account in the PILOT Bonds Bond Fund, the amount, if any, required so that the balance in such subaccount shall equal the Accrued Aggregate Debt Service with respect to interest as of the last day of the then current Month and, if interest is required to be paid to holders of such Series of PILOT Bonds or Parity Debt relating thereto during the next succeeding Month on a day other than the first day of such Month, Accrued Aggregate Debt Service with respect to interest as of the day through and including the day on which such interest is required to be paid;

(3) To each subaccount established with respect to a Series of PILOT Bonds in the PILOT Bonds Principal Account in the PILOT Bonds Bond Fund, an amount equal to Accrued Aggregate Debt Service with respect to principal as of the last day of the then current Month and, if principal is required to be paid to holders of such Series of PILOT Bonds or Parity Debt relating thereto during the next succeeding Month on a day other than the first day of such Month, Accrued Aggregate Debt Service with respect to principal as of the day through and including the day on which such principal is required to be paid;

(4) To reimburse each Reserve Account Credit Facility Provider or PILOT Bonds Strike Reserve Account Credit Facility Provider for any amounts advanced under its Reserve Account Credit Facility or PILOT Bonds Strike Reserve Account Credit Facility, including paying interest thereon and any related reasonable expenses of the Reserve Account Credit Facility Provider or PILOT Bonds Strike Reserve Account Credit Facility Provider in connection therewith, in accordance with the terms of such Reserve Account Credit Facility or PILOT Bonds Strike Reserve Account Credit Facility and any reimbursement agreement between the Agency and the Reserve Account Credit Facility Provider or PILOT Bonds Strike Reserve Account Credit Facility Provider; provided, to the extent that on any date the amounts available for such reimbursement payments are insufficient to make all such payments, including interest, the amounts actually available shall be paid, pro rata, to each Reserve Account Credit Facility Provider and PILOT Bonds Strike Reserve Account Credit Facility Provider in proportion to the payments then due under the respective Reserve Account Credit Facilities or PILOT Bonds Strike Reserve Account Credit Facilities;

(5) To the PILOT Bonds Subordinated Bond Fund, the amount, if any, as shall be required to be deposited therein in the then current month to pay (i) the Principal or Sinking Fund Installments of and premium, if any, and interest on, and any Bond Fees relating to, each issue of

PILOT Bonds Subordinated Indebtedness and related Parity Debt when due, whether as a result of maturity or prior call for redemption, and to provide reserves therefor, as may be required by the Supplemental PILOT Indenture authorizing such issue of PILOT Bonds Subordinated Indebtedness, (ii) any Swap Termination Payments and Other Swap Payments when due in accordance with the provisions of, and subject to the priorities, limitations and restrictions provided in, a Supplemental PILOT Indenture authorizing such PILOT Bonds Subordinated Indebtedness, and (iii) any PILOT Bonds Subordinated Obligations when due;

(6) If the balance in the PILOT Bonds Strike Reserve Account is less than the PILOT Bonds Strike Reserve Account Requirement, to the PILOT Bonds Strike Reserve Account the amount necessary to satisfy the PILOT Bonds Strike Reserve Account Requirement in the manner and at the times provided in the PILOT Indenture;

(7) If the balance in any subaccount established with respect to a Series of PILOT Bonds in the PILOT Bonds Special Reserve Account is less than the PILOT Bonds Special Reserve Account Requirement established for such Series of PILOT Bonds, to such subaccount in the PILOT Bonds Special Reserve Account, the amount necessary to satisfy the PILOT Bonds Special Reserve Account Requirement established for such Series of PILOT Bonds in the manner and at the times provided in the PILOT Indenture;

(8) If the balance in any subaccount established with respect to a Series of PILOT Bonds in the PILOT Bonds Debt Service Reserve Account in the PILOT Bonds Debt Service Reserve Fund is less than the PILOT Bonds Debt Service Reserve Account Requirement established for such Series of PILOT Bonds, to such subaccount in the PILOT Bonds Debt Service Reserve Account in the PILOT Bonds Debt Service Reserve Fund the amount necessary to satisfy the PILOT Bonds Debt Service Reserve Account Requirement established for such Series of PILOT Bonds in the manner and at the times provided in the PILOT Indenture; and

(9) To the PILOT Bonds Rebate Fund, the amount, if any, as shall be required to pay any PILOT Bonds Rebate Requirement.

Amounts remaining on deposit in the PILOT Bonds Revenue Fund after making the deposits or payments set forth in subparagraphs (1) through (9) above shall be held in the PILOT Bonds Revenue Fund.

Subject to the Agency's Reserved Rights and the non-recourse nature of the Issuer's obligation under the PILOT Indenture, the Issuer has covenanted under the PILOT Indenture that it will take no action nor omit to take any action under any Agency Document that would materially impair the right or remedies of the PILOT Bondholders under the PILOT Bonds or the PILOT Indenture.

#### ***Remedies Upon Default Under the Indenture***

Monies held by the PILOT Trustee under the PILOT Assignment in the Debt Service and Reimbursement Fund are held for the benefit of, and such fund is pledged to, the Bond Trustee. In the event that an Event of Default under the PILOT Indenture shall occur and be continuing, the Bond Trustee may demand the transfer by the PILOT Trustee to the Bond Trustee of all amounts, if any, held for the benefit of the Bond Trustee in the Debt Service and Reimbursement Fund. In no event will the obligation of the Company to pay PILOTs under the PILOT Agreement be accelerated because of the occurrence of an Event of Default under the PILOT Indenture, and the Series 2020 PILOT Bonds are not subject to acceleration. The Series 2020 PILOT Bondholders have no rights under the PILOT Mortgages

and the Series 2020 PILOT Bonds are not secured by any interest in the Stadium or the Site. See “**RISK FACTORS AND INVESTMENT CONSIDERATIONS—No Acceleration of PILOTs.**”

### **PILOT Bonds Debt Service Reserve Fund**

Except as otherwise provided in the Supplemental Indenture executed and delivered in connection with the issuance of one or more Series of PILOT Bonds, the Bond Trustee shall establish within the PILOT Bonds Debt Service Reserve Account of the PILOT Bonds Debt Service Reserve Fund a PILOT Bonds Debt Service Reserve Subaccount for such Series or for one or more Series of PILOT Bonds in an amount equal to the applicable PILOT Bonds Debt Service Reserve Account Requirement. Except as otherwise provided in the Supplemental Indenture executed and delivered in connection with the issue of a Series of PILOT Bonds, at the time any Series of PILOT Bonds is delivered pursuant to the PILOT Indenture, the Agency shall pay into the PILOT Bonds Debt Service Reserve Subaccount for such Series from the proceeds of such PILOT Bonds or other available funds, the amount, if any, necessary for the amount on deposit in each subaccount of the PILOT Bonds Debt Service Reserve Account to equal the applicable PILOT Bonds Debt Service Reserve Account Requirement, after giving effect to any Reserve Account Credit Facility, calculated immediately after the delivery of such Series of PILOT Bonds.

“*PILOT Bonds Debt Service Reserve Account Requirement*” means (a) with respect to Series 2006 PILOT Bonds, an amount equal to Maximum Aggregate Annual Debt Service on the Series 2006 PILOT Bonds; (b) with respect to the Series 2009 PILOT Bonds, an amount equal to the lesser of (i) the maximum Debt Service due on the Series 2009 PILOT Bonds in any Bond Year or (ii) 125% of the average of the annual installments of Debt Service with respect to all Series 2009 PILOT Bonds; (c) with respect to the Series 2020 PILOT Bonds, an amount equal to the lesser of (i) 10% of the proceeds of the Series 2020 PILOT Bonds, (ii) the maximum Debt Service due on the Series 2020 PILOT Bonds in any Bond Year, or (iii) 125% of the average of the annual installments of Debt Service with respect to all Series 2020 PILOT Bonds, less (x) so long as any Series 2006 PILOT Bonds are Outstanding, the amount on deposit in the Series 2006 PILOT Bond Debt Service Reserve Subaccount, and (y) so long as any Series 2009 PILOT Bonds are Outstanding, the amount on deposit in the Series 2009 PILOT Bonds Debt Service Reserve Subaccount; and (d) with respect to Additional PILOT Bonds, the amount specified in the applicable Supplemental PILOT Indenture pursuant to which such Additional PILOT Bonds are issued.

At the time of issuance of the Series 2020 PILOT Bonds, (i) the PILOT Bonds Debt Service Reserve Account Requirement for the Series 2006 PILOT Bonds Debt Service Reserve Subaccount will be \$20,940,100.50, the full amount of which will be cash funded; (ii) the PILOT Bonds Debt Service Reserve Account Requirement for the Series 2009 PILOT Bonds Debt Service Reserve Subaccount will be \$11,225,000, the full amount of which will be cash funded; and (iii) the PILOT Bonds Debt Service Reserve Account Requirement for the Series 2020 PILOT Bonds Debt Service Reserve Subaccount will be \$35,462,261.67 which will be funded through deposit of the Series 2020 PILOT Bonds DSR Subaccount Policy and \$20,948,278.32 in cash. Immediately upon the payment in full of all Outstanding Series 2006 PILOT Bonds, which have a March 1, 2027 scheduled final maturity, the Bond Trustee shall transfer all amounts held as cash or investments on deposit in the Series 2006 PILOT Bonds Debt Service Reserve Subaccount of the PILOT Bonds Debt Service Reserve Account into the Series 2020 PILOT Bonds Debt Service Reserve Subaccount of the PILOT Bonds Debt Service Reserve Account. Immediately upon the payment in full of all Outstanding Series 2009 PILOT Bonds, which have a March 1, 2027 scheduled final maturity, the Bond Trustee shall transfer all amounts held as cash or investments on deposit in the Series 2009 PILOT Bonds Debt Service Reserve Subaccount of the PILOT Bonds Debt Service Reserve Account into the Series 2020 PILOT Bonds Debt Service Reserve Subaccount of the PILOT Bonds Debt Service Reserve Account.

If on any Interest Payment Date or Principal Payment Date the amount in any PILOT Bonds Debt Service Reserve Subaccount is less than the applicable PILOT Bonds Debt Service Reserve Account Requirement solely by reason of a change in the valuation of investments therein, no transfers to such PILOT Bonds Debt Service Reserve Subaccount shall be required so long as all investment earnings and amounts in such PILOT Bonds Debt Service Reserve Subaccount remain therein until such PILOT Bonds Debt Service Reserve Subaccount contains the amount of the applicable PILOT Bonds Debt Service Reserve Account Requirement and on the next Interest Payment Date or Principal Payment Date, as the case may be, such PILOT Bonds Debt Service Reserve Subaccount contains an amount equal to the applicable PILOT Bonds Debt Service Reserve Account Requirement. If any PILOT Bonds Debt Service Reserve Subaccount at that time does not contain an amount equal to the applicable PILOT Bonds Debt Service Reserve Account Requirement, the Bond Trustee shall notify the Issuer of the amount of such deficiency and the Bond Trustee shall deposit an amount equal to the deficiency from the PILOT Bonds Revenue Fund in accordance with the PILOT Indenture to the extent monies are available therefor. If a deficiency exists in any PILOT Bonds Debt Service Reserve Subaccount, not later than the last Business Day of each calendar month, the Bond Trustee shall transfer first from the PILOT Bonds Revenue Fund, second from the PILOT Bonds Capitalized Interest Subaccount, if any, and third from the PILOT Bonds Subordinated Bond Fund, as the case may be, to the extent that there are sufficient monies available therein, and deposit in the applicable subaccount in the PILOT Bonds Debt Service Reserve Account the amount, if any, required for the amount on deposit in the PILOT Bonds Debt Service Reserve Subaccount to equal the applicable PILOT Bonds Debt Service Reserve Account Requirement as of the last day of such calendar month, after giving effect to any Reserve Account Credit Facility for a particular Series of PILOT Bonds; provided, however, that any deficiency remaining in the PILOT Bonds Debt Service Reserve Subaccount, after giving effect to such transfers and to any qualifying Reserve Account Credit Facility deposited in such Subaccount, shall be cured by depositing into such PILOT Bonds Debt Service Reserve Subaccount, each month following such determination of the deficiency, any amounts available to be so deposited, including amounts from the PILOT Bonds Revenue Fund, such that the deficiency shall be cured by the end of the then current Bond Year.

In lieu of or in substitution for moneys on deposit in or to be deposited in a PILOT Bonds Debt Service Reserve Account or any subaccount established therein pursuant to any provision of the PILOT Indenture, the Agency may deposit or cause to be deposited with the Bond Trustee a Reserve Account Credit Facility for the benefit of the holders of the Outstanding PILOT Bonds secured by such account or subaccount for all or any part of the applicable PILOT Bonds Debt Service Reserve Account Requirement; provided, however, that the Bond Trustee shall receive an Opinion of Bond Counsel in customary form to the effect that the Reserve Account Credit Facility meets the requirements of the PILOT Indenture. If at any time the ratings of a PILOT Bonds Debt Service Reserve Account Credit Facility Provider or the long term debt obligations secured or supported by a surety bond, insurance policy or letter of credit of the PILOT Bonds Debt Service Reserve Account Credit Facility Provider shall fall below the required ratings as provided in the below definition of Reserve Account Credit Facility for a Series of PILOT Bonds, such Reserve Account Credit Facility shall no longer be deemed to be a Reserve Account Credit Facility and the Agency shall either (A) replace or cause to be replaced, or be supplemented on a secondary basis, said Reserve Account Credit Facility with another Reserve Account Credit Facility which satisfies the rating requirements of a Reserve Account Credit Facility as set forth in the definition thereof and the other requirements as provided above, (B) if said Reserve Account Credit Facility is a letter of credit, instruct the Bond Trustee to draw on such Reserve Account Credit Facility in the amount of the applicable PILOT Bonds Debt Service Reserve Account Requirement and deposit such amounts in the applicable PILOT Bonds Debt Service Reserve Account or Subaccount, or (C) deposit into the applicable PILOT Bond Debt Service Reserve Account or Subaccount monies at the times and in the amounts necessary to restore the amount in the PILOT Bonds Debt Service Reserve Account or Subaccount to the applicable PILOT Bonds Debt Service Reserve Account Requirement in accordance with and as required by the PILOT Indenture.

“*Reserve Account Credit Facility*” means (A) with respect to the Series 2006 PILOT Bonds and the Series 2009 PILOT Bonds, (i) any irrevocable, unconditional letter of credit issued by a bank or savings and loan association whose long-term uncollateralized debt obligations are rated in one of the two highest Rating Categories by any two Nationally Recognized Rating Agencies, and (ii) any insurance policy providing substantially equivalent liquidity as an irrevocable, unconditional letter of credit, and which is issued by a municipal bond or other insurance company, obligations insured by which are rated in one of the two highest Rating Categories by any two Nationally Recognized Rating Agencies, and which is used, to the extent permitted under applicable law, including the Act, to fund all or a portion of a PILOT Bonds Debt Service Reserve Account Requirement, and (B) with respect to the Series 2020 PILOT Bonds, (i) any irrevocable, unconditional letter of credit issued by a bank or savings and loan association whose long-term uncollateralized debt obligations are rated in one of the three highest Rating Categories by any two Nationally Recognized Rating Agencies, and (ii) any insurance policy providing substantially equivalent liquidity as an irrevocable, unconditional letter of credit, and which is issued by a municipal bond or other insurance company, obligations insured by which are rated in one of the three highest Rating Categories by any two Nationally Recognized Rating Agencies, and which is used, to the extent permitted under applicable law, including the Act, to fund all or a portion of a PILOT Bonds Debt Service Reserve Account Requirement.

In conjunction with the issuance of the Series 2020 PILOT Bonds, there shall be deposited into the Series 2020 PILOT Bonds Debt Service Reserve Subaccount the Municipal Bond Debt Service Reserve Insurance Policy issued by AGM Insurer with a policy limit of not to exceed \$14,513,983.35 in satisfaction of a portion of the PILOT Bonds Debt Service Reserve Requirement for the Series 2020 PILOT Bonds (the “*Series 2020 PILOT Bonds DSR Subaccount Policy*”). The Series 2020 PILOT Bonds DSR Subaccount Policy is being issued in replacement of Assured Guaranty Corp’s Financial Guaranty Insurance Policy (Reserve Fund) delivered in connection with the issuance of the Series 2009 PILOT Bonds. At the time that it is issued, the Series 2020 PILOT Bonds DSR Subaccount Policy shall constitute a “Reserve Account Credit Facility” under and for all purposes of the PILOT Indenture.

### **The PILOT Bonds Strike Reserve Account for the PILOT Bonds**

The PILOT Indenture established the PILOT Bonds Strike Reserve Account within the PILOT Bonds Debt Service Reserve Fund and required the Issuer to deposit or cause to be deposited with the Bond Trustee at the time the Initial PILOT Bonds were delivered, cash and/or a PILOT Bonds Strike Reserve Account Credit Facility in an amount equal to the PILOT Bonds Strike Reserve Account Requirement established for the Series 2006 PILOT Bonds. Upon the issuance of the Series 2009 PILOT Bonds, the Issuer deposited or caused to be deposited with the Bond Trustee for deposit in the PILOT Bonds Strike Reserve Account a PILOT Bonds Strike Reserve Account Credit Facility provided by Assured Guaranty Corp. (the “AGC PILOT Bonds Strike Reserve Account Credit Facility”), in an amount equal to the PILOT Bonds Strike Reserve Account Requirement. The PILOT Bonds Strike Reserve Account secures all PILOT Bonds issued under the PILOT Indenture on a parity basis and will equally secure the Series 2006 PILOT Bonds, the Series 2009 PILOT Bonds and the Series 2020 PILOT Bonds.

“*PILOT Bonds Strike Reserve Account Requirement*” means (a)(i) at the time of the issuance of the Series 2020 PILOT Bonds and so long as any Series 2006 PILOT Bonds are Outstanding, \$48,681,462.50, of which at least \$10,470,050 shall be held in cash, and (ii) upon payment in full of the Outstanding Series 2006 PILOT Bonds, an amount equal to (A) one half (1/2) of maximum Debt Service due on the Series 2009 PILOT Bonds and the Series 2020 PILOT Bonds in any Bond Year, *plus* (B) if there is on deposit a PILOT Bonds Strike Reserve Account Credit Facility and the PILOT Bonds Strike Reserve Account Credit Facility Provider no longer maintains ratings from at least two Nationally Recognized Rating Agencies in one of the two highest rating categories, \$5,500,000 in cash, and (b) with

respect to Additional PILOT Bonds issued subsequent to issuance of the Series 2020 PILOT Bonds, the amount specified in the applicable Supplemental PILOT Indenture pursuant to which such Additional PILOT Bonds are issued.

Upon the issuance of the Series 2020 PILOT Bonds, the PILOT Bonds Strike Reserve Account will be funded through a deposit of (i) a \$38,211,412.50 surety bond issued by Assured Guaranty Municipal Corp. (the “AGMC PILOT Bonds Strike Reserve Account Policy”) which AGMC PILOT Bonds Strike Reserve Account Policy is being issued in replacement of the existing AGC PILOT Bonds Strike Reserve Account Credit Facility, which AGC PILOT Bonds Strike Reserve Account Credit Facility will be terminated upon the issuance of the Series 2020 PILOT Bonds; (ii) a \$15,500,669.21 surety bond issued by Financial Guaranty Insurance Company (the “FGIC PILOT Bonds Strike Reserve Account Policy”); (iii) a \$8,853,372.68 surety bond issued by MBIA Insurance Corporation (the “MBIA PILOT Bonds Strike Reserve Account Policy”); and (iv) \$10,470,050 in cash from the proceeds of the Series 2020B PILOT Bonds. The FGIC PILOT Bonds Strike Reserve Account Policy and MBIA PILOT Bonds Strike Reserve Account Policy are each referred to herein as a “Specific PILOT Bonds Strike Reserve Account Credit Facility” and only relate to the Series 2006 PILOT Bonds.

Moneys held for the credit of the PILOT Bonds Strike Reserve Account shall be withdrawn by the Bond Trustee and deposited to the credit of the applicable subaccount or subaccounts of the PILOT Bonds Interest Account and the PILOT Bonds Principal Account in the PILOT Bonds Bond Fund, respectively, at the times and in the amounts required to comply with the provisions of the PILOT Indenture, or deposited to the credit of the PILOT Bonds Redemption Account at the times and in the amounts required to make payments therefrom in respect of PILOT Bonds and any related Parity Debt, respectively; provided, however, that no transfers from the PILOT Bonds Strike Reserve Account and no payment from amounts on deposit in the PILOT Bonds Strike Reserve Account shall be sought unless (1) a Strike has occurred and is continuing and (2) moneys on deposit in the applicable subaccount or subaccounts of the PILOT Bonds Interest Account, the PILOT Bonds Principal Account, the PILOT Bonds Special Reserve Account and the PILOT Bonds Debt Service Reserve Account and required to be withdrawn from such subaccount or subaccounts have been depleted and no moneys are available to be withdrawn therefrom.

All cash and investments, if any, in the PILOT Bonds Strike Reserve Account shall be transferred to the applicable subaccount or subaccounts of the PILOT Bonds Interest Account and the PILOT Bonds Principal Account, as applicable, before any drawing may be made on the AGMC PILOT Bonds Strike Reserve Account Policy or any other PILOT Bonds Strike Reserve Account Credit Facility credited to the PILOT Bonds Strike Reserve Account in lieu of cash; provided that, with respect to amounts allocable to each Specific PILOT Bonds Strike Reserve Account Credit Facility, no draw on the AGMC PILOT Bonds Strike Reserve Account Policy shall be made for such amounts unless and until the applicable PILOT Bonds Strike Reserve Account Credit Facility Provider for such Specific PILOT Bonds Strike Reserve Account Credit Facility shall have failed to pay a properly submitted notice of claim under the respective PILOT Bonds Strike Reserve Account Credit Facility in accordance with the PILOT Indenture. Payment of any Reserve Policy Costs for the AGMC PILOT Bonds Strike Reserve Account Policy shall be made prior to replenishment of any such cash amounts. Draws on all PILOT Bonds Strike Reserve Account Credit Facilities (including the AGMC PILOT Bonds Strike Reserve Account Policy) on which there is available coverage shall be made in the manner specified in the PILOT Indenture after applying all available cash and investments in the PILOT Bonds Strike Reserve Account. Payment of Reserve Policy Costs for the AGMC PILOT Bonds Strike Reserve Account Policy and reimbursement of amounts with respect to other PILOT Bonds Strike Reserve Account Credit Facilities shall be made on a *pro-rata* basis prior to replenishment of any cash drawn from the PILOT Bonds Strike Reserve Account.



*“PILOT Bonds Strike Reserve Account Credit Facility”* means (a) while the Series 2006 PILOT Bonds are Outstanding, (i) any irrevocable, unconditional letter of credit issued by a bank or savings and loan association whose long-term uncollateralized debt obligations are rated in one of the two highest Rating Categories by two Nationally Recognized Rating Agencies, and (ii) any insurance policy providing substantially equivalent liquidity as an irrevocable, unconditional letter of credit, and which is issued by a municipal bond or other insurance company obligations, which are rated in one of the two highest Rating Categories by two Nationally Recognized Rating Agencies, and which is used, to the extent permitted under applicable law, including the Act, to fund all or a portion of the PILOT Bonds Strike Reserve Account Requirement, and (b) at all other times, (i) any irrevocable, unconditional letter of credit issued by a bank or savings and loan association whose long-term uncollateralized debt obligations are rated in one of the three highest Rating Categories by two Nationally Recognized Rating Agencies, and (ii) any insurance policy providing substantially equivalent liquidity as an irrevocable, unconditional letter of credit, and which is issued by a municipal bond or other insurance company obligations, which are rated in one of the three highest Rating Categories by two Nationally Recognized Rating Agencies, and which is used, to the extent permitted under applicable law, including the Act, to fund all or a portion of the PILOT Bonds Strike Reserve Account Requirement.

If at any time the ratings of the PILOT Bonds Strike Reserve Account Credit Facility Provider shall fall below the ratings required for a PILOT Bonds Strike Reserve Account Credit Facility as set forth in the above definition thereof, such PILOT Bonds Strike Reserve Account Credit Facility shall no longer be deemed to be a PILOT Bonds Strike Reserve Account Credit Facility and the Agency shall either (A) replace or cause to be replaced, or be supplemented on a secondary basis, said PILOT Bonds Strike Reserve Account Credit Facility with another PILOT Bonds Strike Reserve Account Credit Facility which satisfies the requirements of a PILOT Bonds Strike Reserve Account Credit Facility, (B) if said PILOT Bonds Strike Reserve Account Credit Facility is a letter of credit, instruct the Bond Trustee to draw on such PILOT Bonds Strike Reserve Account Credit Facility and deposit such amounts in the PILOT Bonds Strike Reserve Account or (C) deposit such amounts into the PILOT Bonds Strike Reserve Account at the times and in the amounts as shall be necessary to restore the amount in the PILOT Bonds Strike Reserve Account to the then applicable PILOT Bonds Strike Reserve Account Requirement in accordance with and as required by the PILOT Indenture.

The PILOT Indenture also provides that if a deficiency exists in the PILOT Bonds Strike Reserve Account, no later than the last Business Day of each calendar month, the Bond Trustee shall transfer first from the PILOT Bonds Revenue Fund, second from the applicable subaccount or subaccounts of the PILOT Bonds Capitalized Interest Account and third from the PILOT Bonds Subordinated Bond Fund, as the case may be, to the extent that there are sufficient moneys available therein, and deposit in the PILOT Bonds Strike Reserve Account the amount, if any, required for the amount on deposit in the PILOT Bonds Strike Reserve Account to equal the PILOT Bonds Strike Reserve Account Requirement for the PILOT Bonds supported by such PILOT Bonds Strike Reserve Account as of the last day of such calendar month, after giving effect to any PILOT Bonds Strike Reserve Account Credit Facility that meets the requirements of a PILOT Bonds Strike Reserve Account Credit Facility for a particular Series of PILOT Bonds; provided, however, that any deficiency in the PILOT Bonds Strike Reserve Account, after giving effect to any qualifying PILOT Bonds Strike Reserve Account Credit Facility, may be cured by depositing into the PILOT Bonds Strike Reserve Account, in each month following the determination of such deficiency, any amounts available to be so deposited, including amounts from the PILOT Bonds Revenue Fund in accordance with the PILOT Indenture, such that the deficiency shall be cured by the end of the then current Bond Year.

Immediately upon the payment in full of all Outstanding Series 2006 PILOT Bonds, but in any event no later than one Business Day after the payment in full of all Outstanding Series 2006 PILOT Bonds, the Bond Trustee shall to the extent such cash and investments are not required to satisfy the

PILOT Bonds Strike Reserve Account Requirement or satisfy any PILOT Bonds Debt Service Reserve Account Requirement, transfer all amounts held as cash and/or investments on deposit in the PILOT Bonds Strike Reserve Account to the PILOT Bonds Revenue Fund to be applied in accordance with the PILOT Indenture.

### **Hedge Agreements for Series 2006 PILOT Bonds**

The Issuer has entered into floating-to-fixed rate interest rate swap transactions (the “*Series 2006 Swap Transactions*”) with respect to each maturity of the Series 2006 PILOT Bonds that bear interest at the CPI Rate (the “*CPI Bonds*”). The counterparty to the Series 2006 Swap Transactions is Goldman Sachs Bank USA (“*GS Bank*”), successor by merger to Goldman Sachs Capital Markets, L.P. The obligations of GS Bank are guaranteed by The Goldman Sachs Group, Inc. During the term of the Series 2006 Swap Transactions, the Issuer will pay to GS Bank a fixed rate on the notional amount of each Series 2006 Swap Transaction, which notional amount equals the outstanding principal amount for each applicable maturity of the Series 2006 PILOT Bonds, with such fixed rates ranging from four and nine one hundredths percent (4.09%) to four and twenty-one hundredths percent (4.21%) per annum and will receive from GS Bank a rate equal to the CPI Rate on the same notional amount for each Series 2006 Swap Transaction. The effect of the Series 2006 Swap Transactions is to fix synthetically the interest rate on the CPI Bonds. The Series 2006 Swap Transactions constitute Qualified Swaps under the terms of the PILOT Indenture and the obligation of the Issuer to make any Regularly Scheduled Swap Payments to GS Bank under the Swap Transactions are payable and secured on parity with its obligation to pay interest on all outstanding PILOT Bonds. The Series 2006 Swap Transactions are subject to early termination upon the occurrence and continuance of certain “events of default” and upon the occurrence of certain “termination events.” The obligation of the Issuer to make any Swap Termination Payment or Other Swap Payment to GS Bank under the Series 2006 Swap Transactions is payable and secured under the PILOT Indenture on a basis that is subordinate to the payment of principal of and interest on the PILOT Bonds. The payment obligations of the Issuer under the Series 2006 Swap Transactions are payable solely from PILOT Revenues and other funds available under the Master PILOT Indenture of Trust and not from other funds of the Issuer. Regularly Scheduled Swap Payments and certain amounts due to GS Bank as the result of an early termination of the Series 2006 Swap Transactions are insured by FGIC pursuant to the terms of a surety bond, provided, however, that the aggregate amount payable by FGIC under such surety bond shall not exceed \$14,642,550.

The Series 2006 Swap Transactions contain provisions that require GS Bank to post collateral if (i) the rating of The Goldman Sachs Group, Inc. falls to “BBB+” or “Baa1” or below from either of Moody’s Investors Service, Inc. (“*Moody’s*”) or S&P Global Ratings (“*S&P*”), a business unit of Standard & Poor’s Financial Services LLC and (ii) the market value of the swap transactions covered by the credit support annex is in favor of the Issuer in an amount that exceeds the threshold amount and the minimum transfer amount. If required to be posted, collateral can be in the form of cash, treasuries or agencies (FNMA, GNMA and FHLMC). As of September 14, 2020, The Goldman Sachs Group, Inc. is rated “BBB+” by S&P and “A3” by Moody’s, but the market value of the swap transactions is not in favor of the Issuer; as a result, GS Bank is not currently required to post collateral. The Issuer is not required to post collateral under the terms of the Series 2006 Swap Transactions under any circumstances.

### **Additional PILOT Bonds**

#### ***Generally***

Each such Series of Additional PILOT Bonds shall be issued pursuant to a Supplemental PILOT Indenture and shall be secured equally and ratably by the PILOT Revenues under the PILOT Indenture with any other Series of PILOT Bonds, including the Series 2020 PILOT Bonds, of the same lien and

priority, without preference, priority or distinction of any PILOT Bonds over any other PILOT Bonds of the same lien and priority. Unless provided otherwise in a Supplemental PILOT Indenture, all such Additional PILOT Bonds shall be in substantially the form of the Series 2020 PILOT Bonds, but shall bear such date or dates, bear interest at such rate or rates, mature on such dates and in such amounts, have such Redemption Dates and Redemption Prices, contain an appropriate Series designation, and be issued at such prices as shall be approved by the Issuer and set forth in a Supplemental PILOT Indenture. The Supplemental PILOT Indenture will specify the application of all proceeds of such Additional PILOT Bonds, including without limitation, amounts to be deposited in one or more of the Funds or Accounts, which may include a deposit to a PILOT Bonds Debt Service Reserve Fund Account or Subaccount for such Additional PILOT Bonds. See **APPENDIX B—“SUMMARY OF THE PILOT INDENTURE.”**

### ***Refunding PILOT Bonds***

One or more Series of Refunding PILOT Bonds may be issued at any time to refund outstanding PILOT Bonds. The issuance of such Refunding PILOT Bonds is conditioned upon receipt by the Bond Trustee of, among other things, a certificate of an Authorized Representative of the Issuer (a) setting forth (A) the Aggregate Annual Debt Service as calculated immediately prior to the issuance of the Refunding PILOT Bonds (including within the calculation thereof the Refunding PILOT Bonds then proposed to be issued, but not including the PILOT Bonds to be refunded) and (B) the Aggregate Annual Debt Service as calculated immediately prior to the issuance of the Refunding PILOT Bonds (including within the calculation thereof PILOT Bonds to be refunded, but not including the Refunding PILOT Bonds then to be issued) and (b) stating that the Aggregate Annual Debt Service set forth pursuant to (A) above does not exceed the Aggregate Debt Service set forth pursuant to (B) above by more than two percent (2%) in any year in which Debt Service is payable prior to the issuance of the Refunding PILOT Bonds. See **APPENDIX B—“SUMMARY OF THE PILOT INDENTURE.”**

### ***Other Additional PILOT Bonds—Capital Additions***

The Issuer may issue one or more Series of Additional PILOT Bonds (i) to pay the costs of a Capital Addition, including capitalized interest and Costs of Issuance, and (ii) to fund the required deposit to the PILOT Bonds Debt Service Reserve Fund resulting from the issuance of such Additional PILOT Bonds.

The issuance of Additional PILOT Bonds relating to a Capital Addition is subject to the receipt of, among other things a Rating Confirmation Notice and a written statement from the construction monitor:

- (1) giving an estimate of the cost of achieving such Capital Addition (including all financing and related costs) and the date on which such Capital Addition is likely to be completed;
- (2) stating an opinion that the proceeds of such Additional PILOT Bonds, together with any monies identified and available for such purpose, will be sufficient to pay the cost of completing the Capital Addition; and
- (3) stating that the Pro Forma PILOTs Coverage Percentage is at least equal to the Initial PILOTs Coverage Percentage.

## **PILOT Bonds Subordinated Indebtedness**

The PILOT Indenture authorizes the Agency to issue PILOT Bonds Subordinated Indebtedness (“*Subordinated Debt*”) as provided in the PILOT Indenture.

## **Amendments to Master PILOT Indenture**

The Fourth Supplemental PILOT Indenture contains certain amendments to the Master PILOT Indenture, including, but not limited to the: (a) creation of the Series 2020 PILOT Bonds Debt Service Reserve Subaccount as a common reserve account to secure the Series 2020A PILOT Bonds and the Series 2020B PILOT Bonds; (b) creation of the Series 2006 PILOT Bonds Principal Prepayment Subaccount in the PILOT Bonds Special Reserve Account into which there will be deposited sufficient funds to pay the principal portion of the Series 2006 PILOT Bonds maturing on March 1, 2022 and March 1, 2023 as well as a portion of the principal portion of the Series 2006 PILOT Bonds maturing on March 1, 2024, at their respective maturity dates, which Subaccount is not a part of the PILOT Bonds Trust Estate; (c) creation of an obligation for the Bond Trustee to transfer, upon the payment in full of all Outstanding Series 2006 PILOT Bonds (i) amounts on deposit in the Series 2006 PILOT Bonds Debt Service Reserve Subaccount into the Series 2020 PILOT Bonds Debt Service Reserve Subaccount and (ii) amounts on deposit in the PILOT Bonds Strike Reserve Account in excess of the PILOT Bonds Strike Reserve Account Requirement after giving effect to the payment in full of all Outstanding Series 2006 PILOT Bonds into the PILOT Bonds Revenue Fund (after curing any deficit in the Subaccounts of the PILOT Bonds Debt Service Reserve Account); (d) creation of an obligation for the Bond Trustee to transfer, upon the payment in full of all Outstanding Series 2009 PILOT Bonds, amounts on deposit in the Series 2009 PILOT Bonds Debt Service Reserve Subaccount into the Series 2020 PILOT Bonds Debt Service Reserve Subaccount; (e) expansion of the definition of PILOT Bonds Strike Reserve Account Credit Facility to permit the provider of such facilities to be rated (i) while any Series 2006 PILOT Bonds remain outstanding, in the two highest rating categories by any two Nationally Recognized Rating Agencies (which includes S&P, Moody’s, Fitch, Kroll, or DBRS) or (ii) at any other time, in the three highest rating categories by any two Nationally Recognized Rating Agencies; (f) expansion of the definition of Reserve Account Credit Facility to permit the provider of such facilities to be rated (i) with respect to the Series 2006 PILOT Bonds Debt Service Reserve Subaccount or Series 2009 PILOT Bonds Debt Service Reserve Subaccount, in the two highest rating categories by any two Nationally Recognized Rating Agencies, or (ii) with respect to the Series 2020 PILOT Bonds Debt Service Reserve Subaccount, in the three highest rating categories by any two Nationally Recognized Rating Agencies; and (g) expansion of the definition of Qualified Investments to, among other things, expand the types of permitted investments for the various reserve funds, accounts and subaccounts. Additionally, the PILOT Assignment was amended and restated to, among other things, remove the 10% limitation on Yankee Stadium operation and maintenance expenses reimbursement to the Company.

The foregoing amendments are expected to be consented to by the respective Bond Insurers insuring the payment of the Series 2006 PILOT Bonds and Series 2009 PILOT Bonds in accordance with the Master PILOT Indenture. Such amendments will become effective concurrently with the execution and delivery of the Fourth Supplemental PILOT Indenture and the PILOT Assignment, respectively.

## **BOND INSURANCE**

### **Bond Insurance Policy**

Concurrently with the issuance of the Insured Series 2020 PILOT Bonds, Assured Guaranty Municipal Corp. (“AGM”) will issue its Municipal Bond Insurance Policy for the Insured Series 2020 PILOT Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Series 2020 PILOT Bonds when due as set forth in the form of the Policy included as Appendix N to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### **Assured Guaranty Municipal Corp.**

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO”. AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and, as of October 1, 2019, asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM’s financial strength is rated “AA” (stable outlook) by S&P, “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A2” (stable outlook) by Moody’s. Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

### ***Current Financial Strength Ratings***

On July 16, 2020, S&P announced it had affirmed AGM’s financial strength rating of “AA” (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On December 19, 2019, KBRA announced it had affirmed AGM’s insurance financial strength rating of “AA+” (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On August 13, 2019, Moody’s announced it had affirmed AGM’s insurance financial strength rating of “A2” (stable outlook). AGM can give no assurance as to any further ratings action that Moody’s may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

### ***Capitalization of AGM***

At June 30, 2020:

- The policyholders' surplus of AGM was approximately \$2,667 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately \$1,018 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$2,048 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty (Europe) plc ("AGE UK") and Assured Guaranty (Europe) SA ("AGE SA"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE UK and AGE SA were determined in accordance with accounting principles generally accepted in the United States of America.

### ***Incorporation of Certain Documents by Reference***

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (filed by AGL with the SEC on February 28, 2020);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 (filed by AGL with the SEC on May 8, 2020); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2020 (filed by AGL with the SEC on August 7, 2020).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2020 PILOT Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212)

974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "**BOND INSURANCE – Assured Guaranty Municipal Corp.**" or included in a document incorporated by reference herein (collectively, the "*AGM Information*") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

### *Miscellaneous Matters*

AGM makes no representation regarding the Series 2020 PILOT Bonds or the advisability of investing in the Series 2020 PILOT Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "**BOND INSURANCE**".

## **THE COMPANY AND THE PARTNERSHIP**

### **Overview**

The Company is a privately-owned limited liability company organized under the laws of the State of Delaware. The Company has been structured as a bankruptcy-remote special purpose entity for the primary purpose of building, operating and maintaining, on behalf of the Issuer, the Stadium. The Partnership is an Ohio limited partnership. The Company is wholly owned by Stadium Holdco, which in turn is wholly owned by YGE Holdings, LLC, which in turn is wholly owned by YGE. YGE Holdings, LLC holds a 99% limited partnership interest in the Partnership. The Company has no significant assets other than its interests in the Lease Agreement, the Stadium Sublease Agreement and the Ticket and Suite Assignment and the Company's primary source of funds will be the amounts assigned to it by the Partnership pursuant to the Ticket and Suite Assignment.

The Company commenced operating the Stadium for the 2009 MLB Season.

### **Other Business**

The Company has no business other than the operation and maintenance of the Stadium and certain related activities (including the entry into Stadium-related tax and/or interest rate swap, option, cap, collar, floor or other similar or related agreements or arrangements from time to time and acting as sublandlord under the Sublease Agreement, but excluding ownership of a sports team).

### **Stadium Operations and Maintenance**

Under the Lease Agreement, the Company is responsible for operating and maintaining the Stadium as a high quality (subject to ordinary course wear and tear and obsolescence) professional sports facility in (i) compliance with all requirements of the MLB Trinity, (ii) a safe, clean and reputable manner and (iii) good repair. The Company provides such services indirectly through one or more subcontractors including affiliates and non-affiliates of the Company (in each case, acting on an arm's-length basis). Subject to the supervision of the Company's general manager, the Company's officers determine the

manner in which the requisite services are to be performed, as may be necessary, by Company employees and/or subcontractors.

### **Nature of Obligations**

Obligations of the Company with respect to the PILOT Agreement and the Lease Agreement are without recourse against the Team, the Partnership, Stadium Holdco, YGE Holdings, LLC, YGE, or any affiliate of the foregoing (other than the Company), or their respective assets (other than the Company), officers, directors, members, equity holders and partners.

### **Change in Control**

Pursuant to the Lease Agreement, the Company may not enter into any Capital Transaction or Sublease without the prior written consent of the Issuer, except that the Company may enter into Permitted Transactions without the consent of the Issuer.

A Sublease or Capital Transaction is deemed a “*Permitted Transaction*” for purposes of the Lease Agreement if: (i) on its effective date, there exists no uncured Event of Default and there exists no Default under the Lease Agreement, other than a Default which is being cured simultaneously with or as a consequence of the Sublease or Capital Transaction, notice of which has been given to the Company; (ii) the proposed Assignee, Transferee or Subtenant is not a so-called “*Prohibited Person*” nor is any “*Principal*” of such Person a Prohibited Person (as such terms are defined in the Lease Agreement); (iii) in the case of an Assignment (other than an Assignment by operation of law), the Assignee assumes in writing the Company’s obligations under the Lease Agreement; (iv) the proposed subtenant, Assignee or Transferee has Common Ownership with the Partnership; and (v) the Partnership agrees in writing that such Capital Transaction does not impair the Partnership’s obligations and liability or the Issuer’s rights and remedies under the Non-Relocation Agreement. The parties also agreed that “*Permitted Transactions*” include: (x) a Capital Transaction that arises out of the exercise of remedies by an unrelated secured party in an arm’s length transaction resulting from the default, breach or non-performance under a security agreement by the Partnership or any direct or indirect constituent entity of the Company and (y) the Stadium Sublease Agreement.

For purposes of the Lease Agreement, a “*Capital Transaction*” is an assignment or sublease of substantially all of the Company’s interest in the Lease Agreement (whether by operation of law or otherwise), a Transfer or any other transaction which would constitute the functional equivalent of such transactions. A “*Transfer*” means any disposition of an equity interest in the tenant under the Lease Agreement or in any direct or indirect constituent entity of such tenant, where such disposition directly or indirectly produces any change in control of such tenant, but excludes (x) a transfer of any interest of a family member(s) to another family member(s), and (y) transfers of shares of less than five percent (5%) of the outstanding stock of a publicly-held corporation or transfers of less than ten percent (10%) of the equity interests in any other entity. “*Transfer*” does not include any disposition of an equity interest in a Person that is an indirect constituent entity in the tenant that has assets of at least one hundred million dollars (\$100,000,000) and bona fide business operations other than the Team and such tenant.

### **Ticket and Suite Assignment**

Pursuant to the PILOT Agreement, the Company pays PILOTs to the Issuer with respect to the Stadium. The primary source of payment of the PILOT Bonds are the PILOT Revenues. The Company’s primary source of funding for its obligations, including PILOTs, are the rental payments made by the Partnership to the Company under the Stadium Sublease Agreement. In consideration for the Company entering into the PILOT Agreement and the Lease Agreement, and in consideration for the Company



entering into the Stadium Sublease Agreement with the Partnership, the Partnership has assigned to the Company all of its right, title and interest in and to the Ticket Sale and Suite License Proceeds pursuant to the Ticket and Suite Assignment. The Ticket and Suite Assignment further provides the Partnership with the right, but not the obligation, from time to time to include within the amount assigned under the Ticket and Suite Assignment other funds of the Partnership. The Partnership and the Company intend that the Ticket and Suite Assignment is a present and continuing assignment of the amounts assigned thereunder, but as a precautionary measure, the Partnership has granted to the Company a first priority security interest in such amounts. Under the Ticket and Suite Assignment, the Company applies the assigned amounts to the Company's obligations under the Lease Agreement, the PILOT Agreement and any interest rate swap agreement or other type of hedging arrangement to which the Company is a party. For so long as an event of force majeure or casualty is continuing, pursuant to the Ticket and Suite Assignment, the Partnership has assigned to the Company all proceeds received in connection with suite license fees and ticket sales for Team Home Games played at any other facility for which the Partnership receives the proceeds of such sales, exclusive of any taxes paid on such sales of tickets or suite license fees and exclusive of any amount paid in respect or on account of any right, benefit, privilege, entitlement or amenity not directly related to admission to a Team Home Game played during a Team Season. Notwithstanding the foregoing assignment provisions, the Partnership has not assigned, and the Company has not assumed, any refunding or reimbursement obligations that may be owed to the purchasers of tickets or licensees of suites with respect to the foregoing assigned interests. The 2021 Team Home Games Ticket Sale and Suite License Proceeds assigned under the Ticket and Suite Assignment are not reduced or impaired by ticket or suite refunds associated with the 2020 Team Home Games, which refunds are the sole and absolute obligations of the Partnership. The amount of Ticket Sale and Suite License Proceeds for 2020 Team Home Games that have been credited at the subscriber's request for application toward 2021 Team Home Games will be contributed by the Partnership to the Company.

Set forth below are the combined regular season and post-season ticket and suite license revenue assignments for the Stadium over the past ten (10) years:

Season	Ticket and Suite Revenue	Change (%)	Season	Ticket and Suite Revenue	Change (%)
2019	\$336,199,038	4.4	2014	\$283,734,732	(5.7)
2018	321,360,983	7.4	2013	300,033,924	(17.6)
2017	297,683,757	22.4	2012	352,947,238	(6.8)
2016	230,968,114	(19.9)	2011	377,011,785	(1.8)
2015	276,922,725	(2.5)	2010	383,891,716	-

The following table sets forth, for each Team Season shown, attendance at the Stadium:

Season	Total Attendance
2019	3,482,855
2018	3,154,938
2017	3,063,405
2016	3,193,795
2015	3,401,624
2014	3,279,589
2013	3,542,406
2012	3,653,211
2011	3,765,803
2010	3,719,358

As of June 30, 2020, the Partnership had received approximately \$201 million of Ticket Sale and Suite License Proceeds for 2020 Team Home Games. Such amount has been assigned by the Partnership to the Company under the Ticket and Suite Assignment. Under the Ticket and Suite Assignment, the Partnership is responsible for fulfilling requests for refunds of Ticket Sale and Suite License Proceeds for 2020 Team Home Games. As of August 13, 2020, the Partnership had refunded approximately \$74 million. See “**RISK FACTORS AND INVESTMENT CONSIDERATIONS—Risks Associated with Operations—Economic Impact of COVID-19 Pandemic; Future Pandemics.**”

Although the Ticket and Suite Assignment is provided as consideration for the Company entering into the Stadium Sublease Agreement with the Partnership, the Ticket and Suite Assignment will not be pledged to the Bond Trustee and will not constitute security for the PILOT Bonds, including the Series 2020 PILOT Bonds. PILOT Bondholders, including Series 2020 PILOT Bondholders, will have no rights under the Ticket and Suite Assignment.

For risks associated with the Ticket and Suite Assignment, see “**RISK FACTORS AND INVESTMENT CONSIDERATIONS—Risks Associated with the Series 2020 PILOT Bonds—Enforceability of Documents—General,**” “**—Enforceability of Documents with Respect to the Bankruptcy of the Company and/or the Partnership,**” “**—Risks Associated with Operations—Economic Impact of COVID-19 Pandemic; Future Pandemics,**” “**—Risks Associated with Operations—Financial Performance of the Stadium,**” “**—Risks Associated with Operations—Competition,**” “**Risks Associated with Operations—Team Relocation Risk,**” “**Risks Associated with Operations—Major League Baseball—MLB Preemption**” and “**Risks Associated with Operations—Major League Baseball—General Economic Conditions and Other Factors.**”

## **Non-Relocation Agreement**

### ***General***

Effective as of the Series 2006 PILOT Bonds issuance date and extending throughout the Initial Term of the Lease Agreement, unless earlier terminated as set forth below, the Non-Relocation Agreement requires the Partnership to cause the Team to play substantially all of its Home Games in the Stadium, subject to the MLB Trinity. The Non-Relocation Agreement provides an exception for up to twelve (12) Home Games of the Team that may be played in other venues over any two (2) consecutive MLB seasons and an exception for certain Home Games that are played at other MLB Stadiums due to weather or field conditions. In addition, in the event that a casualty, Force Majeure or Temporary Taking renders the Stadium not reasonably fit for use for MLB games in accordance with the Stadium Sublease Agreement or MLB Trinity, the Team may play its Home Games in another location until such conditions are remediated or repaired. MLB has shortened the length of the 2020 Regular MLB Season from one hundred sixty-two (162) to sixty (60) games in response to the COVID-19 pandemic.

Pursuant to the Non-Relocation Agreement, and subject to the MLB Trinity, the Partnership is prohibited from entering into discussions, or participating in negotiations, with third parties (other than discussions with MLB) or seeking approval from third parties (including MLB) to relocate the Team, other than for the purpose of relocating the Team after the end of the Initial Term.

The Partnership’s obligations under the Non-Relocation Agreement will terminate upon a casualty, condemnation or environmental-related termination of the Lease Agreement or the termination of the Stadium Sublease Agreement by the Company.

Under the terms of the Non-Relocation Agreement, for so long as the Non-Relocation Agreement is in effect, the Partnership may sell or transfer the Team so long as (a) the proposed transfer complies

with the MLB Trinity, (b) the Partnership delivers a notice of such transfer to the City, ESD and the Issuer, (c) the proposed transferee assumes the obligations of the Partnership and agrees to be bound by the Non-Relocation Agreement and (d) no Prohibited Relocation, as defined in the Non-Relocation Agreement, has occurred. The Partnership may not pledge or grant any security interest in a controlling interest of the Team unless the relevant documents expressly provide, and the pledgee agrees in writing, that the interest is subject to the Non-Relocation Agreement and that in the event of a foreclosure or other enforcement of the pledge or security interest, each transferee must comply with the relevant transfer requirements under the Non-Relocation Agreement.

### ***Remedies Upon Default***

In the event the Partnership breaches its obligations under the Non-Relocation Agreement, the City, ESD and the Issuer are entitled to declaratory relief or an equitable remedy, including specific performance. Additionally, if a “Prohibited Relocation” under the Non-Relocation Agreement occurs, and the City, ESD or the Issuer is unable to obtain an injunction or award of specific performance, the City and/or ESD will have the right to recover liquidated damages from the Partnership as specified in the Non-Relocation Agreement. Under the Non-Relocation Agreement, “*Prohibited Relocation*” means the failure by the Major League Baseball Club (as defined in the Non-Relocation Agreement) currently known as the “New York Yankees” (or such Major League Baseball Club using a name including the words “New York”) to play at least eighty-seven and five-tenths percent (87.5%) of its Home Games in any Regular MLB Season (as hereinafter defined) at the Stadium thereafter. For purposes of calculating the percentage in the foregoing sentence, (X) the numerator is the sum of (i) the number of Home Games played in the Stadium, (ii) the number of Home Games which are played in a Substantially Equivalent Facility, as defined in the Non-Relocation Agreement, located in any of the five boroughs of the City due to Force Majeure, casualty or a Temporary Taking and (iii) Home Games which are cancelled or suspended in accordance with the MLB Trinity due to weather or due to field conditions other than field conditions resulting from the actions of the Partnership or the failure by the tenant under the Lease Agreement to perform its obligations thereunder, and rescheduled and played in the home ballpark of another Major League Baseball Club in accordance with the MLB Trinity; and (Y) the denominator is the total number of Home Games (including up to twelve (12) exception games over any two (2) consecutive seasons) and including Home Games which are cancelled or suspended in accordance with the MLB Trinity due to weather or due to field conditions other than field conditions resulting from the actions of the Partnership or the failure by the tenant under the Lease Agreement to perform its obligations thereunder, and rescheduled and played in the home ballpark of another Major League Baseball Club in accordance with the MLB Trinity, minus (i) the number of Home Games played in a venue other than the Stadium during such Regular MLB Season due to Force Majeure, casualty or a Temporary Taking (excluding Home Games included in the numerator pursuant to clause (X)(ii) above); and (ii) the number of Home Games not played at all due to league-wide umpire or player strike. Breaches of the Non-Relocation Agreement also permit recovery of actual damages; provided that actual damages are not recoverable for a “Prohibited Relocation” if the applicable amount of liquidated damages have been paid in accordance with the Non-Relocation Agreement. For purposes of the foregoing definition of “Prohibited Relocation,” “*Home Games*” shall mean each of the Team’s scheduled or rescheduled Major League Baseball games during a Regular MLB Season in which the Team is designated as the home team, regardless of whether such games are scheduled to be played at the Stadium or elsewhere and “*Regular MLB Season*” shall mean the regular MLB season, and shall not include any exhibition, all-star, playoff or World Series games. **The Issuer’s rights and remedies under the Non-Relocation Agreement will not be pledged or assigned to the Bond Trustee as security for the PILOT Bonds. PILOT Bondholders will have no rights under the Non-Relocation Agreement.**

For risks associated with the Non-Relocation Agreement, see “**RISK FACTORS AND INVESTMENT CONSIDERATIONS—Risks Associated with the Series 2020 PILOT Bonds—**

***Enforceability of Documents—General,*** “***—Risks Associated with the Series 2020 PILOT Bonds—Enforceability of Documents with Respect to the Bankruptcy of the Company and/or the Partnership,***” “***—Risks Associated with Operations—Economic Impact of COVID-19 Pandemic; Future Pandemics,***” “***—Risks Associated with Operations—Team Relocation Risk***” and “***—Risks Associated with Operations—Major League Baseball—MLB Preemption***.”

## **MLB Trinity**

The Partnership and the Company are subject to the MLB Actions, MLB Documents and MLB Rules and Regulations (collectively, the “*MLB Trinity*”), as described below, as they may change from time to time. The effect of the MLB Trinity on the ability of the Partnership or the Company to perform their obligations and/or to exercise their rights under various agreements to which either of them is a party, including, but not limited to, the Non-Relocation Agreement, the PILOT Agreement, the PILOT Mortgages, the Ticket and Suite Assignment, the Lease Agreement and the Stadium Sublease Agreement, cannot be known at this time. The MLB Trinity and/or future changes thereto could limit, modify or prevent the enforcement of those agreements, modify the benefits afforded thereby and ultimately have a material adverse effect on the PILOT Revenues and the Issuer’s ability to pay the PILOT Bonds. For risks associated with the MLB Trinity, see “**RISK FACTORS AND INVESTMENT CONSIDERATIONS—Risks Associated with Operations—Major League Baseball—MLB Preemption**.”

“*MLB Actions*” means any actions taken by any of the MLB Entities in furtherance of the MLB Documents and MLB Rules and Regulations.

“*MLB Documents*” means the following documents as in effect from time to time and any amendments, supplements or other modifications thereto and all replacement or successor documents thereto that may in the future be entered into: (a) the Major League Constitution, (b) the Basic Agreement between the Major League Baseball Clubs and the Major League Baseball Players Association, (c) the Professional Baseball Agreement between the Office of the Commissioner of Baseball (the “*BOC*”), on behalf of itself and the Major League Baseball Clubs, and the National Association of Professional Baseball Leagues, (d) the Major League Rules (and all attachments thereto), (e) the Amended and Restated Interactive Media Rights Agreement, effective as of January 1, 2020, by and among the Commissioner of Baseball, the Major League Baseball Clubs, the BOC, MLB Advanced Media, L.P. and various other MLB Entities and (f) each agency agreement and operating guidelines among the Major League Baseball Clubs and any MLB Entity, including, without limitation, the Amended and Restated Agency Agreement, effective as of January 1, 2020, by and among the various Major League Baseball Clubs, the BOC, Major League Baseball Properties, Inc. and MLB Advanced Media, L.P. (and the Operating Guidelines related thereto).

“*MLB Entities*” or “*MLB Entity*” means each of the BOC, The MLB Network, LLC, MLB Advanced Media, L.P., Tickets.com, LLC and/or any of their respective present or future affiliates, assigns or successors.

“*MLB Rules and Regulations*” means (a) the MLB Documents, (b) any present or future agreements or arrangements entered into by, or on behalf of, the BOC, any other MLB Entity or the Major League Baseball Clubs acting collectively, including, without limitation, agreements or arrangements entered into pursuant to the MLB Documents, and (c) the present and future mandates, rules, regulations, policies, practices, bulletins, by-laws, directives or guidelines issued or adopted by, or behalf of, the Commissioner of Baseball, the BOC or any other MLB Entity as in effect from time to time, including the Guidelines.

## THE ISSUER

The Issuer was established in 1974 as a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the “*State*”) duly organized and existing, pursuant to the Act, for the purposes of promoting the economic welfare of the inhabitants of The City of New York (the “*City*”) and promoting, developing, encouraging and assisting in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreational facilities, thereby advancing the job opportunities, health, general prosperity and economic welfare of the people of the State and improving their recreational opportunities, prosperity and standard of living.

Under the Act, the Issuer has power to acquire, hold and dispose of personal property, for its corporate purposes; to acquire, use for its corporate purposes and dispose of real property within the geographical jurisdictional limits of the City; to appoint officers, agent and employees; to make contracts and leases; to acquire, construct, reconstruct, lease, improve, maintain equip or furnish one or more projects; to borrow money and issue bonds and to provide for the rights of holders thereof; to grant options to renew any lease with respect to any project and to grant options to buy any project at such price as the Issuer may deem desirable; to designate depositories for its moneys; and to do all things necessary or convenient to carry out its purposes and exercise the powers given in the Act.

**THE PILOT BONDS, INCLUDING THE SERIES 2020 PILOT BONDS, ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM, AND SECURED BY, PILOT REVENUES DERIVED FROM PILOTS PAID BY THE COMPANY PURSUANT TO THE PILOT AGREEMENT AND CERTAIN FUNDS AND ACCOUNTS HELD UNDER THE PILOT INDENTURE. NEITHER THE STATE NOR THE CITY IS OR SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE PILOT BONDS, INCLUDING THE SERIES 2020 PILOT BONDS, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR THE CITY IS PLEDGED TO SUCH PAYMENT. THE ISSUER HAS NO TAXING POWER.**

**NEITHER THE MEMBERS, DIRECTORS OR OFFICERS OF THE ISSUER NOR ANY PERSON EXECUTING THE SERIES 2020 PILOT BONDS SHALL BE PERSONALLY LIABLE OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY WITH RESPECT TO THE SERIES 2020 PILOT BONDS. ACCORDINGLY, NO FINANCIAL INFORMATION WITH RESPECT TO THE ISSUER OR ITS MEMBERS, DIRECTORS OR OFFICERS HAS BEEN INCLUDED IN THIS OFFICIAL STATEMENT.**

**THE ISSUER HAS NOT VERIFIED, AND DOES NOT REPRESENT IN ANY WAY, THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT OTHER THAN INFORMATION SET FORTH UNDER THE HEADINGS “THE ISSUER” AND “LITIGATION—THE ISSUER” HEREIN.**

## RISK FACTORS AND INVESTMENT CONSIDERATIONS

An investment in the Series 2020 PILOT Bonds involves certain risks, including the risk of nonpayment of interest or principal due to PILOT Bondholders. The Series 2020 PILOT Bonds are obligations of the Issuer, payable solely from specific sources. The risk of nonpayment is affected by the following factors, among others, which should be considered by prospective investors, along with the other information presented in this Official Statement, in judging the suitability of an investment in the Series 2020 PILOT Bonds.

## **Risks Associated with the Series 2020 PILOT Bonds**

### ***Limited Recourse Obligation***

The PILOT Bonds, including the Series 2020 PILOT Bonds, are special limited obligations of the Issuer payable solely from PILOT Revenues derived from PILOTs paid by the Company pursuant to the PILOT Agreement and certain Funds and Accounts held under the PILOT Indenture. Neither the State nor the City is or shall be obligated to pay the principal of or interest on the PILOT Bonds, including the Series 2020 PILOT Bonds, and neither the faith and credit nor the taxing power of the State or the City is pledged to such payment. The Issuer has no taxing power.

The PILOT Bonds, including the Series 2020 PILOT Bonds, do not constitute an obligation of the Company, the Partnership, the Team or any of their respective affiliates. The PILOT Bonds, including the Series 2020 PILOT Bonds, are not secured by any interest in the Stadium nor any property of or interest in the Company, the Partnership, the Team or any of their respective affiliates.

### ***Nature of the Company; Limited Recourse***

The Company is a bankruptcy-remote special purpose limited liability company, and the PILOT Bonds, including the Series 2020 PILOT Bonds, will be payable solely from PILOTs paid by the Company to the Issuer. The Company has no significant assets or revenues other than its interest in the Lease Agreement, the Stadium Sublease Agreement and the Ticket and Suite Assignment. The Company files financial statements for each fiscal year, as required by the Continuing Disclosure Agreement entered into in connection with the Series 2006 PILOT Bonds and the Series 2009 PILOT Bonds and will be required to continue to file such financial statements for each fiscal year pursuant to the Continuing Disclosure Agreement to be entered into in connection with the Series 2020 PILOT Bonds. None of the payments due to the Company under the Stadium Sublease Agreement or the Ticket and Suite Assignment are pledged to the payment of the PILOT Bonds, including the Series 2020 PILOT Bonds. Furthermore, the PILOT Mortgages are not pledged as security for the PILOT Bonds, including the Series 2020 PILOT Bonds, and the PILOT Bondholders have no rights or remedies under the Non-Relocation Agreement. None of the Team, the Partnership or any of their respective affiliates is obligated to make any payments under the PILOT Bonds, including the Series 2020 PILOT Bonds, and no financial information with respect to the Team or the Partnership is presented in this Official Statement or will be made available pursuant to the Continuing Disclosure Agreement. The sole source of payment and security for the PILOT Bonds, including the Series 2020 PILOT Bonds, is amounts paid by the Company under the PILOT Agreement. As a result, PILOT Bondholders must depend on the PILOT Revenues and funds on deposit in the Funds and Accounts, including the PILOT Bonds Debt Service Reserve Account, for payment of principal of and interest on the PILOT Bonds, including the Series 2020 PILOT Bonds.

### ***Enforceability of Documents – General***

Receipt of payments owed to PILOT Bondholders depends upon the enforceability of various instruments and agreements. The various legal opinions to be delivered concurrently with the delivery of the Series 2020 PILOT Bonds will be qualified as to the enforceability of various instruments and agreements because of limitations imposed by U.S. federal and state laws affecting remedies and other matters, and by bankruptcy, reorganization or other laws affecting the enforcement of creditors' rights generally.

Insofar as the PILOT Agreement, PILOT Mortgages, Lease Agreement, Stadium Sublease Agreement, Ticket and Suite Assignment, and Non-Relocation Agreement provide for equitable remedies, a court of equity has broad discretion as to whether or not to grant equitable relief, including requiring the

specific performance of any such agreement. Furthermore, the liquidated damages provision contained in the Non-Relocation Agreement may be found to be excessive or punitive, in which case it may be disallowed.

The Partnership and the Company are subject to the MLB Trinity, which consists of MLB Actions, MLB Documents and MLB Rules and Regulations, as they may change from time to time. In addition, the Partnership's obligations under the Non-Relocation Agreement are subject and subservient in all respects to the MLB Trinity, and the Stadium Sublease Agreement provides that the manner of conduct of activities at the Stadium in conjunction with MLB or Team games or events is subject to the MLB Trinity. The legal effect of the MLB Trinity on the enforceability of the Non-Relocation Agreement, the PILOT Agreement, the PILOT Mortgages, the Lease Agreement, the Ticket and Suite Assignment, the Stadium Sublease Agreement or on any other document to which the Partnership or the Company is a party is unclear. In addition, the effect of the MLB Trinity on the ability of the Partnership or the Company to perform their obligations and/or to exercise their rights under various agreements to which either of them is a party, including, but not limited to, the Non-Relocation Agreement, the PILOT Agreement, the PILOT Mortgages, the Ticket and Suite Assignment, the Lease Agreement and the Stadium Sublease Agreement cannot be known at this time. The MLB Trinity and/or future changes thereto could limit, modify or prevent the enforcement of the agreements, modify the benefits afforded thereby and ultimately have a material adverse effect on the PILOT Revenues and the Issuer's ability to pay the PILOT Bonds, including the Series 2020 PILOT Bonds. See herein "**Risks Associated with Operations—Major League Baseball—MLB Preemption**."

#### ***Enforceability of Documents with Respect to the Bankruptcy of the Issuer***

If the Issuer were to become a debtor in a case under Title 11 of the United States Code (the "*Bankruptcy Code*"), among other things, payments to Bondholders would be stayed and a bankruptcy court could confirm a plan that could affect the Bondholders by reducing or eliminating the amount of the Issuer's indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rates, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising, modifying, or terminating and discharging the rights and remedies of the Bondholders against the Issuer. Furthermore, a bankruptcy court has the power to avoid and recover certain payments made to creditors, potentially including Bondholders, prior to the filing of the bankruptcy case.

#### ***Enforceability of Documents with Respect to the Bankruptcy of the Company and/or the Partnership***

In the event a voluntary or involuntary case is filed under the Bankruptcy Code with respect to the Company and/or the Partnership, a bankruptcy court could determine that various agreements, including but not limited to the PILOT Agreement, PILOT Mortgages, Lease Agreement, Stadium Sublease Agreement, Ticket and Suite Assignment and/or Non-Relocation Agreement are executory contracts or unexpired leases. In a bankruptcy case, an executory contract or unexpired lease is capable of being rejected by a trustee or debtor-in-possession pursuant to Section 365 of the Bankruptcy Code. If an executory contract or unexpired lease is rejected, the debtor may no longer be required to perform its obligations under that contract. In addition, with the authorization of the bankruptcy court, the Company and/or the Partnership may be able to assign their respective rights and obligations under various agreements, including but not limited to the PILOT Agreement, PILOT Mortgages, Lease Agreement, Stadium Sublease Agreement, Ticket and Suite Assignment and/or Non-Relocation Agreement, to which they are party, to another entity, despite any contractual prohibition to the contrary. Furthermore, whether or not a bankruptcy court were to determine that one or more of such agreements are executory contracts or unexpired leases, claims and remedies arising from such agreements, as well as other claims and

remedies against the Company and/or the Partnership, as the case may be, may be reduced, modified, or terminated and discharged in the bankruptcy case, and equitable remedies may become unenforceable.

In the event a voluntary or involuntary case is filed under the Bankruptcy Code with respect to the Company and/or the Partnership, a bankruptcy court could determine that various agreements, including but not limited to the PILOT Agreement, PILOT Mortgages, Ticket and Suite Assignment and/or Non-Relocation Agreement, are part of the Lease Agreement or the Stadium Sublease Agreement and are therefore all part of a non-residential real property lease. A trustee in bankruptcy, or the Company or Partnership as a debtor-in-possession, as the case may be, might reject its respective agreements. If any such agreement were determined to be an unexpired lease of non-residential real property and were rejected by the trustee, or the debtor-in-possession as lessee, the amount of any corresponding claim resulting from the termination of such agreement would be limited to the rent payable under such agreement (without acceleration) for the greater of one year or fifteen percent (15%), not to exceed three years, of the remaining term of such agreement following the earlier of (a) the date the bankruptcy petition was filed, and (b) the date on which the lessor repossessed, or the lessee surrendered, the leased property, plus any unpaid rentals or guaranteed payments (without acceleration) on the earlier of such dates. This determination could allow the Company or the Partnership, as the case may be, to make minimal or no additional payments on account of the claims that arise from the rejection of the agreements.

In the event a voluntary or involuntary case is filed under the Bankruptcy Code with respect to the Company and/or the Partnership, a bankruptcy court could determine that various agreements, including but not limited to the PILOT Agreement, PILOT Mortgages, Lease Agreement, Ticket and Suite Assignment, Stadium Sublease Agreement and/or Non-Relocation Agreement, are all part of a financing. If a bankruptcy court determines that an agreement is a financing, a bankruptcy court could also determine that a debtor is no longer required to perform its obligations under that agreement or that the agreement would not be effective. In such an instance, the non-debtor parties to the agreement would have claims and remedies that may be reduced, modified, or terminated and discharged in the bankruptcy case.

In the event a voluntary or involuntary case is filed under the Bankruptcy Code with respect to the Company and/or the Partnership, actions against the Company or the Partnership, as the case may be would be stayed. In addition, among other things, a bankruptcy court could confirm a plan that could affect the Bondholders by reducing or eliminating the amount of their obligations, their indebtedness, deferring or rearranging their debt service schedule, reducing or eliminating their interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising, modifying, or terminating and discharging the rights and remedies of creditors against the Company and/or the Partnership, as the case may be. Furthermore, a bankruptcy court has the power to avoid and recover certain payments made to creditors prior to filing of the bankruptcy case.

In addition, the Partnership, or another affiliate of the Company and/or the Partnership that is in bankruptcy, or any of their creditors or representatives might attempt to reach assets of the Company under one or more theories that exist under state or federal law, including but not limited to “alter ego,” “piercing the veil,” “substantive consolidation” or a similar equitable concept. While “separateness covenants” have been included in the Company’s organizational documents in part to mitigate the chances of one of these legal theories being successfully employed, no assurance can be given that a court, utilizing its equity jurisdiction, might not be convinced based upon the facts and circumstances present at the time of the request, to grant the requested relief. If that relief were granted, it could have a detrimental impact on the Company and/or the Partnership and the Bondholders.



### ***Additional PILOT Bonds***

Subject to certain conditions and provided no Event of Default exists under the PILOT Bond Documents, the Issuer may issue Additional PILOT Bonds on parity with outstanding PILOT Bonds, including the Series 2020 PILOT Bonds: (i) to pay the costs of a Capital Addition, including capitalized interest and Costs of Issuance or (ii) to fund the required deposit to the PILOT Bonds Debt Service Reserve Fund Account resulting from the issuance of such Additional PILOT Bonds. Any Additional PILOT Bonds issued after this offering will be secured equally and ratably by PILOT Revenues with the then outstanding PILOT Bonds including the Series 2006 PILOT Bonds, the Series 2009 PILOT Bonds and the Series 2020 PILOT Bonds. To the extent that any Additional PILOT Bonds are issued, there is a greater risk that the amount of PILOTs paid will be insufficient to cover Debt Service and other amounts owed with respect to the outstanding PILOT Bonds.

### ***Lack of Active Trading Market***

There is no existing market for the Series 2020 PILOT Bonds and there can be no assurance that an active trading market for the Series 2020 PILOT Bonds will develop. Moreover, even if a market for the Series 2020 PILOT Bonds were to develop, the price of the Series 2020 PILOT Bonds may fluctuate depending on many factors including, but not limited to, prevailing interest rates and the market for similar securities, and therefore liquidity may be limited and the Series 2020 PILOT Bonds could trade at a discount from their face amount. If a market for the Series 2020 PILOT Bonds does not develop, the Series 2020 PILOT Bonds may not be able to be resold for an extended period of time, if at all. Consequently, a purchaser of the Series 2020 PILOT Bonds may not be able to liquidate its investment readily, and lenders may not readily accept the Series 2020 PILOT Bonds as collateral for loans.

### ***Federal Tax Exemption for Interest on Series 2020A PILOT Bonds***

The Code (defined herein) imposes a number of requirements that must be satisfied for interest on the Series 2020A PILOT Bonds to be excludable from gross income for federal income tax purposes. The Issuer has provided covenants and certificates as to continued compliance with such requirements. If interest on the Series 2020A PILOT Bonds were declared includable in gross income for federal income taxation, no additional amounts would be payable on the Series 2020A PILOT Bonds to compensate the holders or former holders thereof for the taxes which they would be required to pay, and the Series 2020A PILOT Bonds do not provide for a mandatory redemption in such event.

The Series 2020A PILOT Bonds may be subject to audits by the IRS from time to time. If the Series 2020A PILOT Bonds were to be audited, the market for and the market value of the Series 2020A PILOT Bonds could be adversely affected during the pendency of the examination and thereafter, even if the outcome of the audit were to be favorable.

Legislative proposals currently under consideration or proposed after issuance and delivery of the Series 2020A PILOT Bonds could adversely affect the market value of the Series 2020A PILOT Bonds. Further, if enacted into law, any such proposal could cause the interest on the Series 2020A PILOT Bonds to be subject, directly or indirectly, to federal income taxation and could otherwise alter or amend one or more of the provisions of federal tax law described below under the heading “**TAX MATTERS – SERIES 2020A PILOT BONDS**” or their consequences. Prospective purchasers of the Series 2020A PILOT Bonds should consult with their tax advisors as to the status and potential effect of pending proposed legislative proposals, as to which Bond Counsel expresses no opinion.

## **Risks Associated with Pledge of Company Equity as Collateral**

As provided in the Note Purchase Agreement, Stadium Holdco's obligations thereunder are secured by a pledge of the equity interests issued by the Company to Stadium Holdco, its direct parent, as well as a pledge of all of Stadium Holdco's other assets. If an event of default occurs under the Note Purchase Agreement, the noteholders thereunder could exercise remedies to foreclose upon such equity interests and assume ownership of the Company. Subsequent to such foreclosure, such noteholders, as owners of the Company, would continue to be bound by the obligations of the Company contained in the Project Documents. However, the noteholders' interests could be divergent from those of the Partnership, the Team and the Issuer, and the noteholders could pursue actions to reduce the operational costs of the Company. See **"THE STADIUM—Real Estate Leases—Stadium Holdco Note Purchase Agreement."**

## **Risks Associated with PILOTs**

Under the PILOT Agreement, the Company agrees to pay, as PILOTs, the amounts set forth on Schedule A attached to the PILOT Agreement and as set forth herein under **"INTRODUCTION—PILOT Revenues"**; provided, however, **that in no event shall the Company be required to make PILOTs in any PILOT Year in an amount greater than the real property taxes and assessments for such PILOT Year which would have been levied upon or with respect to the Stadium and the Site if the Stadium and the Site were not exempt by virtue of the Issuer's interest therein (the "Actual Taxes")**. It is currently anticipated that Actual Taxes will exceed the scheduled PILOTs and PILOTs will be sufficient in each year to provide for the Bond Year Requirement for the PILOT Bonds, including the Series 2020 PILOT Bonds. However, in the event that Actual Taxes are less than the scheduled PILOTs, the Company will only be required to pay PILOTs equal to the lesser amount of Actual Taxes. Such an event could occur, for example, if there is substantial, unanticipated delay in the reconstruction of the Stadium as part of a Casualty Restoration or Condemnation Restoration. In any such event, PILOTs may not be sufficient to satisfy Debt Service requirements and other amounts owed with respect to the outstanding PILOT Bonds, including the Series 2020 PILOT Bonds. See **"SECURITY FOR THE SERIES 2020 PILOT BONDS—PILOT Revenues."**

The amount of Actual Taxes in each year is subject to change. See **APPENDIX D—"SUMMARY OF THE PILOT AGREEMENT."** Reduction in the City tax rate, and/or reductions in the assessed valuation of the Stadium or the Site due to legal proceedings, administrative proceedings or otherwise may reduce Actual Taxes to an amount less than anticipated PILOTs. In addition, the Company has the right under the PILOT Agreement to institute judicial review of the assessed value of the Stadium or the site in order to reduce PILOT payments due under the PILOT Agreement. Any such action to reduce PILOT payments could adversely affect PILOT Revenues and the ability of the Issuer to pay debt service on the PILOT Bonds. No assurance can be given that PILOTs for any year will equal the amount set forth on Schedule A to the PILOT Agreement for such year in the event that Actual Taxes for any year are less than the Schedule A amount for such year. In such event, no assurance can be given that PILOTs will be sufficient to pay Debt Service and other amounts owed with respect to the outstanding PILOT Bonds, including the Series 2020 PILOT Bonds. See **"SECURITY FOR THE SERIES 2020 PILOT BONDS—PILOT Revenues."**

In May 2018, the City announced the formation of the New York City Advisory Commission on Property Tax Reform (the *Advisory Tax Commission*). The Advisory Tax Commission is tasked with evaluating all aspects of the current property tax system in the City and recommending reforms to make it fairer, simpler, and more transparent, while ensuring that there is no reduction in revenue used to fund City services. No assurances can be given at this time as to what impact, if any, recommendations from the Advisory Tax Commission, if enacted, will have on the amount of Actual Taxes in future years.

In April 2019, the City adopted certain amendments to the City charter and the City administrative code (collectively, the “*Building Emissions Law*”) that, among other things, establish phased-in limits on carbon emissions for buildings with over 25,000 square feet, subject to certain permitted credits, exceptions and variances. Retrofitting buildings to comply with the Building Emissions Law may result in an increase to operating expenses that could, in turn, impact the City tax rate. No assurances can be given at this time as to what impact, if any, the Building Emissions Law will have on the amount of Actual Taxes in future years.

Further, on June 14, 2019, the State of New York enacted the Stability and Tenant Protections Act of 2019 which made the State’s rent stabilization program permanent and introduced significant changes to strengthen protections for tenants and further limit landlords’ ability to raise rents. No assurances can be given at this time as to what impact, if any, the Stability and Tenant Protections Act of 2019 will have on the amount of Actual Taxes in future years.

### **No Acceleration of PILOTs**

Failure by the Company to pay PILOTs or payments required to be made under the Lease Agreement, or failure by the Company to comply with any other terms, covenants or conditions contained in the Lease Agreement, constitutes an event of default under the Lease Agreement and (subject to the notice and cure periods contained therein) permits the Issuer to pursue any and all remedies available under the terms of the Lease Agreement. Failure in the payment of principal or interest on the PILOT Bonds, including the Series 2020 PILOT Bonds, when due and payable shall constitute an event of default under the PILOT Indenture and permit the Bond Trustee to pursue remedies under the PILOT Indenture. In the event of a default, notwithstanding anything in the Lease Agreement or in the PILOT Indenture to the contrary, **THERE SHALL BE NO RIGHT UNDER ANY CIRCUMSTANCES TO ACCELERATE THE PAYMENT OF PILOTs OR THE PILOT BONDS, INCLUDING THE SERIES 2020 PILOT BONDS, OR OTHERWISE DECLARE ANY PILOTs NOT THEN IN DEFAULT TO BE IMMEDIATELY DUE AND PAYABLE.**

### **Risks Associated with PILOT Mortgages**

The obligation of the Company under the PILOT Agreement to pay PILOTs during each PILOT Year is secured by a PILOT Mortgage granted by the Company and the Issuer to the Issuer and assigned to the PILOT Trustee encumbering the Company’s and the Issuer’s respective interests in and to the Stadium and the Site.

**Although the PILOT Mortgages secure the payment of PILOTs by the Company to the PILOT Trustee under the PILOT Agreement, the PILOT Mortgages are not assigned to the Bond Trustee and do not constitute security for the PILOT Bonds, including the Series 2020 PILOT Bonds. PILOT Bondholders have no rights under the PILOT Mortgages.**

In the event of the nonpayment of PILOTs by the Company during any PILOT Year, the exercise by the PILOT Trustee of its rights and remedies under the corresponding PILOT Mortgage will be expressly subject to the notice and cure periods, stay periods and other procedures described in that PILOT Mortgage. Compliance by the PILOT Trustee with such notice and cure periods, stay periods and other procedures may significantly delay or otherwise limit the PILOT Trustee’s ability to realize upon a foreclosure of that PILOT Mortgage. See “**SECURITY FOR THE SERIES 2020 PILOT BONDS—PILOT Revenues—Enforcement of PILOT Obligation—PILOT Mortgages.**”

No assurance can be given with respect to the lien priority of the PILOT Mortgages. Although the Site is owned by the City and the Stadium will be owned by the Issuer, no assurance can be given that

the PILOT Mortgages will constitute a first priority lien against the leasehold interests pledged under the PILOT Mortgages or that the PILOT Mortgages will be paramount in lien to any lien, or right to a lien, for services, labor or materials heretofore or hereafter furnished, imposed by law. Lien priority of the PILOT Mortgages could affect the PILOT Trustee's ability to realize upon a foreclosure of the PILOT Mortgages. In connection with the issuance of the Series 2009 PILOT Bonds, a title insurance policy was procured with respect to the PILOT Mortgage securing the PILOTs to be paid in the final PILOT Year. No other PILOT Mortgages are or are anticipated to be insured by a title insurance policy.

## **Risks Associated with Operations**

### ***Economic Impact of COVID-19 Pandemic; Future Pandemics***

COVID-19, a highly contagious respiratory tract illness caused by a novel strain of coronavirus, is having significant adverse health and financial impacts throughout the world and the State. The outbreak and spread of this coronavirus has affected commerce and financial markets globally and, among other things, has caused significant disruptions to ordinary operations of, and public attendance at, sporting events. Ticket Sale and Suite License Proceeds have been materially impacted by the COVID-19 pandemic and government and MLB actions taken in response thereto (including, without limitation, public assembly limitations and restrictions). On July 6, 2020, MLB announced that it had shortened the 2020 Regular MLB Season from one hundred sixty-two (162) to sixty (60) games. Additionally, no fans are permitted to attend Team Home Games at the Stadium for the 2020 Regular MLB Season and any future attendance will be subject to State, City and MLB mandates.

As part of the Partnership's efforts to address the disruption caused by the COVID-19 pandemic, the International WELL Building Institute ("*IWBI*") announced on August 26, 2020 that the Stadium became the first sports and entertainment venue in the world to achieve the WELL Health-Safety Rating for Facility Operations and Management. The Stadium achieved the rating by implementing programs across five (5) categories consisting of (i) air and water quality management, (ii) cleaning and sanitization procedures, (iii) emergency preparedness programs, (iv) health service resources and (v) signage and other communications promoting health literacy to workers and other attendees at the Stadium. The foregoing programs are intended to serve as a blueprint for best operating procedures to help combat the COVID-19 pandemic, while also providing world-class standards for overall health and safety. By achieving the IWBI rating (as confirmed by third-party verifier, Green Business Certification Inc.), the Partnership believes the Stadium will be equipped to utilize best practices for players, staff personnel and the admission of fans at the Stadium when authorized to do so by Major League Baseball and applicable governmental authorities.

The ultimate extent of the impact of the COVID-19 pandemic upon the Partnership's operations and operating results will depend on future developments which are uncertain and cannot be predicted with any certainty, including, without limitation, new information that may emerge concerning the continuance or containment of such pandemic and future actions that might be taken to contain or prevent its further spread. No assurances can be given at this time regarding (i) when fans will be permitted to attend Team Home Games at the Stadium or what attendance limits or other restrictions, if any, may be imposed, (ii) what impact the COVID-19 pandemic, or any future pandemic, may have on the demand for in-person attendance at the Stadium and the generation of Ticket Sale and Suite License Proceeds or (iii) what impact the economic disruption, which may be material and long-lasting, associated with the COVID-19 pandemic, or any future pandemic, may have on the demand for in-person attendance at the Stadium and the generation of Ticket Sale and Suite License Proceeds.

As described under the caption "**RISK FACTORS AND INVESTMENT CONSIDERATIONS—Risks Associated with the Series 2020 PILOT Bonds—*Nature of the***

***Company; Limited Recourse,***” the sole source of payment and security for the PILOT Bonds, including the Series 2020 PILOT Bonds, is PILOT Revenues, and the Company’s ability to make PILOT payments is dependent upon amounts assigned by the Partnership under the Ticket and Suite Assignment. The COVID-19 pandemic’s disruption of the Partnership’s operations for the 2020 and, potentially, 2021 Major League Baseball seasons has been mitigated by (i) the Partnership’s enhanced liquidity resulting from its receipt of funding raised under the Note Purchase Agreement and (ii) the payment of the 2020 PILOT during the first quarter of 2020.

As of June 30, 2020, the Partnership had received approximately \$201 million of Ticket Sale and Suite License Proceeds for 2020 Team Home Games which amounts have been assigned to the Company under the Ticket and Suite Assignment. The 2021 Team Home Games Ticket Sale and Suite License Proceeds assigned under the Ticket and Suite Assignment are not reduced or impaired by ticket or suite refunds associated with the 2020 Team Home Games, which refunds are the sole and absolute obligations of the Partnership. The amount of Ticket Sale and Suite License Proceeds for 2020 Team Home Games that have been credited at the subscriber’s request for application toward 2021 Team Home Games will be contributed by the Partnership to the Company. In addition to the Ticket Sale and Suite License Proceeds assigned thereunder, the Ticket and Suite Assignment provides the Partnership with the right, but not the obligation, from time to time to assign other funds of the Partnership.

### ***Financial Performance of the Stadium***

Among other things, the COVID-19 pandemic, work stoppages, changes in governmental regulation and the MLB Trinity (including, without limitation, COVID-19 pandemic public assembly limitations and restrictions) and or general and local economic conditions may affect the ability of the Partnership to generate Ticket Sale and Suite License Proceeds from audiences, as may competition for such audiences from other stadiums, arenas, sports facilities, amphitheaters, theaters and other venues within New York, New Jersey, Connecticut, Pennsylvania and Massachusetts. The ability of the Stadium to generate Ticket Sale and Suite License Proceeds may also be affected by future trends in cultural, entertainment and sporting activities, changes in public tastes and attitudes and changes in demographic trends, all of which are not possible to predict and are further complicated by the current COVID-19 pandemic and its unknown future impact on the general public’s willingness to attend large events. There can be no assurance that future events will correspond with past events or that future financial results of the Stadium will correspond with past financial results. Furthermore, there can be no assurance that the assumptions and conclusions of the Company or its affiliates with respect to future operations will be achieved. If Ticket Sale and Suite License Proceeds are deficient, such deficiency will adversely affect the Company’s ability to pay PILOTs and accordingly, the Issuer’s ability to pay Debt Service on the Series 2020 PILOT Bonds.

Among other factors, Ticket Sale and Suite License Proceeds will likely be affected by the following:

- the on-field performance and popularity of the Team, which in turn may be dependent in part upon the Partnership’s ability to attract and retain talented players and its ability and willingness to pay those players competitive salaries;
- the competitiveness of the other MLB franchises against which the Team is scheduled to play at the Stadium;
- the ability to continue to enter into license agreements for luxury suites and premium seating on economically attractive terms (and to renew those agreements on economically attractive terms);

- the ability of the other parties to luxury suite and premium seating agreements to perform their financial obligations thereunder;
- general and local economic conditions (see “**RISK FACTORS AND INVESTMENT CONSIDERATIONS—Risks Associated With Operations—Economic Impact of COVID-19 Pandemic; Future Pandemics**” above and “**—Major League Baseball—General Economic Conditions and Other Factors**” below);
- admission prices;
- adverse weather conditions such as rain, snow or cold temperatures resulting in postponed or cancelled games or decreased attendance at the Team’s games; which adverse conditions may become increasingly frequent due to climate change;
- competition for audiences and other potential revenue sources from other stadiums, arenas, sports facilities, amphitheaters, theaters and entertainment venues within the greater New York metropolitan area (see “**RISK FACTORS AND INVESTMENT CONSIDERATIONS—Risks Associated With Operations—Competition**” below);
- work stoppages or slowdowns by MLB players, MLB umpires or workers performing essential functions at the Stadium, including in connection with boycotts for racial or social justice (see “**RISK FACTORS AND INVESTMENT CONSIDERATIONS—Risks Associated With Operations—Major League Baseball—Player Strikes and Other Labor Disputes**” below);
- changes in technology, public tastes and demographic trends, including public health concerns and other changes that may affect the continuing popularity of attendance at live sporting events generally and baseball in particular in the greater New York area (see “**RISK FACTORS AND INVESTMENT CONSIDERATIONS—Risks Associated With Operations—Economic Impact of COVID-19 Pandemic; Future Pandemics**” above);
- development of new technologies and the ability of people to view the Team’s Games through such new technologies including, without limitation, high definition television, live streaming over the Internet and other forms of viewing and listening to the Team’s Games;
- the condition and location of, and traffic flows to and from, the Stadium; and
- the convenience and availability of parking, subway, commuter rail and pedestrian access to the Stadium.

### ***Competition***

The Stadium and its occupant, the Team, share the greater New York market with 11 professional sports teams that play in major professional sports leagues, including the New York Mets (MLB), New York Giants and New York Jets (NFL), New York Islanders, New York Rangers and New Jersey Devils (National Hockey League), New York Knicks and Brooklyn Nets (NBA), New York Liberty (Women’s National Basketball Association), Red Bull New York and New York City Football Club (Major League Soccer). While the Team has a large existing fan base, sharing the New York market with other professional teams, particularly another MLB team, may from time to time detract from the Team’s popularity and the corresponding ability of the Partnership to generate Ticket Sale and Suite License Proceeds.

The New York metropolitan area has several modern, state of the art sports stadiums, including:

- Citi Field (for the Mets);
- MetLife Stadium (for the Jets and Giants);
- Madison Square Garden (for the Knicks and Rangers);
- Barclays Center (for the Nets, Islanders and Liberty);
- UBS Arena (currently under construction for the Islanders with opening expected for 2021 NHL season);
- Red Bull Arena in Harrison, New Jersey (for New York Red Bulls); and
- Prudential Center in Newark, New Jersey (for the Devils).

Notwithstanding the size, wealth and demographics of the greater New York market, it is possible that this level of enhanced competition may, over time, result in lower sales and pricing, and correspondingly lower Ticket Sale and Suite License Proceeds, which could materially and adversely affect the ability of the Company to pay in full all PILOTs necessary to satisfy amounts due under the PILOT Bonds, including the Series 2020 PILOT Bonds.

#### ***Team Relocation Risk***

Pursuant to the Non-Relocation Agreement, the Partnership has contracted to cause the Team to play substantially all of its regular season MLB Home Games in the Stadium, subject to the conditions contained therein (see **APPENDIX G—“SUMMARY OF THE NON-RELOCATION AGREEMENT”** attached hereto). The financial success of the Company and the Stadium depend, inter alia, on the Team continuing to play substantially all of its regular season MLB Home Games in the Stadium. Notwithstanding the provisions of the Non-Relocation Agreement and the availability of equitable remedies and/or substantial monetary damages provided therein for violation by the Team, there can be no assurance that the Partnership will not violate the Non-Relocation Agreement prior to the Lease Agreement’s or the Stadium Sublease Agreement’s expiration, or that the Lease Agreement, the Stadium Sublease Agreement and/or the Non-Relocation Agreement would not be rejected in the context of a bankruptcy case, and that the Partnership will not attempt to relocate the Team to a new stadium and market. There can also be no assurance that a court will allow the City, ESD or the Issuer to enforce the Non-Relocation Agreement via equitable remedies, including specific performance, and thereby prevent relocation of the Team. Nor can there be any assurance that the Partnership will be able to pay in full the substantial monetary damages called for by the Non-Relocation Agreement in the event the equitable remedies therein are not available. Further there can be no assurance, notwithstanding the express intentions of the parties and the difficulty of calculating damages resulting from the Team’s relocation, that a court will enforce the provision of the Non-Relocation Agreement requiring the payment of liquidated damages in excess of the amounts outstanding under the PILOT Bonds, including the Series 2020 PILOT Bonds, upon a breach of the non-relocation covenants that is not enjoined, either in whole or in part, or that the Partnership (particularly if it is the subject of bankruptcy proceedings) will be required, or will have the financial resources, to satisfy fully any such award (see **“RISK FACTORS AND INVESTMENT CONSIDERATIONS—Risks Associated with the Series 2020 PILOT Bonds—Enforceability of Documents—General”** and **“—Enforceability of Documents with Respect to the Bankruptcy of the Company and/or the Partnership”**). If a court does not award the full amount of liquidated damages contemplated by the Non-Relocation Agreement, or awards actual damages less than

the liquidated damages contemplated by such agreement, or if the Partnership is unable to pay in full any damages that are awarded, there may not be sufficient funds to repay in full the PILOT Bonds, including the Series 2020 PILOT Bonds. Although the relevant parties in interest, including the City, ESD and the Issuer, would have a common interest, following any relocation of the Team, in attracting another MLB team to play its home games in the Stadium on terms that would result in full repayment of the PILOT Bonds, including the Series 2020 PILOT Bonds, there can be no assurance that a team can be attracted (either through relocation of an existing team or expansion), that MLB would approve such a relocation (or agree to expand) or that any team that was attracted to the Stadium would agree to such terms, would begin playing on a timely basis or would generate revenues comparable to those generated by the Team. Such a relocation by the Partnership would have a material adverse effect on PILOT Revenues and the Issuer's ability to pay Debt Service on the PILOT Bonds, including the Series 2020 PILOT Bonds.

In addition, the Non-Relocation Agreement contains exceptions permitting the Team to play in other venues due to Force Majeure, casualty or condemnation and the Non-Relocation Agreement will terminate upon a casualty, condemnation or environmental-related termination of the Lease Agreement. These occurrences would also have a material adverse effect on PILOT Revenues and the Issuer's ability to pay Debt Service on the PILOT Bonds, including the Series 2020 PILOT Bonds.

The Partnership and the Company are also subject to the MLB Trinity. The effect of the MLB Trinity on the ability of the Partnership or the Company to perform their obligations and/or to exercise their rights under various agreements to which one or both of them is a party, including but not limited to, the Non-Relocation Agreement, the PILOT Agreement, the PILOT Mortgages, the Ticket and Suite Assignment, the Lease Agreement and the Stadium Sublease Agreement, cannot be known at this time. The MLB Trinity and/or future changes thereto could limit, modify or prevent the enforcement of those agreements, modify the benefits afforded thereby and ultimately have a material adverse effect on the PILOT Revenues and the Issuer's ability to pay Debt Service on the PILOT Bonds, including the Series 2020 PILOT Bonds. For risks associated with the MLB Trinity, see "**RISK FACTORS AND INVESTMENT CONSIDERATIONS—Risks Associated with Operations—Major League Baseball—MLB Preemption**" and "**—Risks Associated with Operations—Economic Impact of COVID-19 Pandemic; Future Pandemics.**"

### ***Major League Baseball***

**MLB Preemption.** The MLB Trinity affords plenary authority to the Office of the Commissioner of Baseball, which authority has application to the Partnership and the Company. The Non-Relocation Agreement and certain aspects of the Lease Agreement and Stadium Sublease Agreement are also subject to the MLB Trinity. The Office of the Commissioner of Baseball has the authority to take actions that it deems to be in the best interests of MLB, which may not be consistent with the best interests of the Team, the Partnership or the Company. In addition, certain baseball-related disputes are required by the MLB Trinity to be submitted to the Office of the Commissioner of Baseball, rather than the courts, for resolution. The MLB Trinity provides that all determinations of the Office of the Commissioner of Baseball are final and binding. The Office of the Commissioner of Baseball has the power to impose sanctions, including fines and suspensions, on the Partnership and the Company for violations of the MLB Trinity. Existing or future MLB actions, documents or rules could have a material adverse effect on PILOT Revenues and could affect any aspect of the Team's activities at the Stadium. While future changes are impossible to predict, MLB could change the duration of the season, the scheduling of home or other games, the teams against which the Team plays its games, the league in which the Team plays, the manner of play, the sharing of revenues, the player draft or any number of other items which could affect PILOT Revenues and/or the ability of the Partnership and/or the Company to perform their respective obligations and/or to exercise their rights under various agreements, including but not limited to, the PILOT Agreement, the PILOT Mortgages, the Lease Agreement, the Stadium Sublease



Agreement, the Ticket and Suite Assignment and the Non-Relocation Agreement. No assurance can be given as to the effect that future changes in the MLB Trinity may have upon the generation and application of Ticket Sale and Suite License Proceeds to pay PILOTs and the payment of Debt Service on the PILOT Bonds, including the Series 2020 PILOT Bonds. See—“**THE COMPANY AND THE PARTNERSHIP—MLB Trinity.**”

Revenue Sharing and Competitive Balance Tax. MLB has the right to impose a variety of revenue sharing and other payment obligations on member clubs by majority or supermajority vote. The Partnership has been and likely will continue to be burdened by such obligations. Any new revenue sharing or other payment obligations, or any extension of the existing revenue sharing or competitive balance tax obligations on terms adverse to the Partnership, could adversely affect the Partnership and, in turn, its ability to maintain a highly competitive team capable of generating substantial Ticket Sale and Suite License Proceeds. Such events could have a material adverse effect on PILOT Revenues and the ability to pay the PILOT Bonds, including the Series 2020 PILOT Bonds.

Debt Service Rules. If MLB were to change its debt service rules, or to adopt different club debt limits in the future that included the PILOT Bonds, the Rental Bonds or any other debt incurred by the Company and its affiliates in connection with the Stadium Project, the exercise of the Office of Commissioner of Baseball’s remedial power could adversely affect the Partnership, which, in turn, could adversely affect its ability to maintain a highly competitive team capable of generating substantial Ticket Sale and Suite License Proceeds. Such events could have a material adverse effect on PILOT Revenues and the ability to pay the PILOT Bonds, including the Series 2020 PILOT Bonds.

Liability for Debts and Obligations of MLB. The Partnership is subject to liabilities and rules and restrictions due to its MLB membership. Due to MLB’s status as an unincorporated association, the MLB members are generally liable for MLB’s debts and obligations. If the Partnership were to incur a material liability by virtue of the Team’s membership in MLB, its financial condition and the Team’s competitiveness could be adversely affected, which in turn could adversely affect Ticket Sale and Suite License Proceeds. Such events could have a material adverse effect on PILOT Revenues and the ability to pay the PILOT Bonds, including the Series 2020 PILOT Bonds.

Dependence on Other Major League Baseball Clubs and MLB. The success of MLB and its member clubs and attendance at baseball games depends in part on the competitiveness of the Team and other MLB clubs and their ability to maintain fiscally sound clubs. Certain clubs have at times encountered financial difficulties, and neither the Partnership nor the Company has any capacity to ensure that MLB and its respective clubs will continue to be able to operate on a fiscally stable and effective basis.

Player Strikes and Other Labor Disputes. There have been five (5) player strikes (1972, 1980, 1981, 1985 and 1994-95) and the MLB club owners have locked out the players three (3) times (1973, 1976 and 1990). The most recent players’ strike resulted in the cancellation of a substantial portion of the 1994 MLB season, including the 1994 World Series, and the first few weeks of the 1995 MLB season. The current collective bargaining agreement between the MLB clubs and the MLB Players Association expires on December 1, 2021. MLB also has had disputes with the labor union representing the MLB umpires, which have resulted in strikes and the need to use replacement umpires. There can be no assurance that MLB will not experience labor relations difficulties in the future and no assurance can be given that such labor relations difficulties will not adversely affect Ticket Sale and Suite License Proceeds, PILOT Revenues and the ability to pay the PILOT Bonds, including the Series 2020 PILOT Bonds.

Future War, Terrorist Activities or Political Uncertainties. Sporting and other spectator events are vulnerable to threats occasioned by war, riots, protests and terrorist activities. New York City, in particular, remains a primary target of international terrorism, and an attack on the New York metropolitan area would likely decrease customer interest in attending Home Games of the Team. Also, terrorist attacks at other sports or entertainment venues in the United States or elsewhere could reduce attendance at the Stadium. As a result, future acts of war, terrorism or hostilities could adversely affect the amount of Ticket Sale and Suite License Proceeds, PILOT Revenues and the ability to pay the PILOT Bonds, including the Series 2020 PILOT Bonds.

General Economic Conditions and Other Factors. Apart from competition and other business risks facing the Partnership, the financial performance of the Partnership will depend to a greater degree upon factors beyond the control of the Partnership, including general, national and local economic conditions (e.g., inflation, unemployment, population, growth and distribution trends), public health concerns (such as the COVID-19 pandemic) and federal, state and local taxation and laws and regulations affecting the Partnership and its business. The demand for entertainment and leisure activities tends to be sensitive to consumers' disposable incomes. Further, the premium seating market is sensitive to the profitability of businesses and corporations which typically are purchasers of such seating, as well as laws affecting the deductibility or disclosure of such business expenses. A decline in general economic conditions or adverse changes in law have led to and will continue to lead to a decline in customers' income available for, or interest in, purchasing premium and non-premium seating. See "**RISK FACTORS AND INVESTMENT CONSIDERATIONS—Risks Associated With Operations—Economic Impact of COVID-19 Pandemic; Future Pandemics**" above.

#### ***Dependence on Key Personnel and Service Providers***

The continued success of the Team will be highly dependent on the services of members of the senior management of the Partnership. There can be no assurance that the Partnership will be able to retain these employees or replace them with equally competent employees. The failure to obtain necessary services from skilled individuals on favorable terms, the loss of the services of any of these individuals, or the failure of such individuals to perform satisfactorily or to work together successfully, may adversely affect Ticket Sale and Suite License Proceeds, PILOT Revenues and the Issuer's ability to pay Debt Service on the PILOT Bonds, including the Series 2020 PILOT Bonds.

#### ***Maintenance, Repair and Risk of Loss***

The Company, as agent of the Issuer, is responsible for all maintenance, repairs, capital repairs, capital improvements and risk of loss associated with the ownership and operation of the Stadium. These responsibilities can require substantial expenditures. Although the Lease Agreement requires the Company to purchase and maintain customary insurance coverage, including property insurance at full replacement cost, there can be no assurance that the deductibles and exclusions from such policies will not increase over time, that such insurance will be sufficient or will cover each potential loss (either in whole or in part), or that the applicable insurers will have the financial ability to pay covered losses or will pay such losses without the necessity of litigation. The Company has not established a reserve for uninsured losses or for future capital repairs and improvements. If the Company fails to comply with its obligations to make necessary capital repairs, or fails to make discretionary capital improvements necessary to maintain the competitiveness of the Stadium, Ticket Sale and Suite License Proceeds, PILOT Revenues and the Issuer's ability to pay Debt Service on the PILOT Bonds, including the Series 2020 PILOT Bonds, could be adversely affected.

### ***Damage to or Destruction of the Stadium; Condemnation***

In the event of damage to or destruction of the Stadium, the Company, as agent of the Issuer, will be required under the Lease Agreement to restore the Premises with any net insurance proceeds, subject to its right to terminate the Lease Agreement if the casualty damages all or substantially all of the Stadium and occurs in the final five (5) years of the term of the Lease Agreement, in which event, net insurance proceeds will be applied to the redemption of the PILOT Bonds, including the Series 2020 PILOT Bonds (and Rental Bonds, if applicable). There can be no assurance that the net insurance proceeds will be sufficient for the required purposes or that the applicable insurers will have the financial ability to pay the covered losses or will pay such losses without the necessity of litigation. While the Lease Agreement requires the Company, subject to receipt of an approving opinion of Nationally Recognized Bond Counsel, to furnish its own funds to restore the Premises in the event that restoration is required and net insurance proceeds are insufficient, there can be no assurance that the Company will have sufficient funds available for such purpose. Further, although in the event of a casualty that does not result in a termination of the Lease Agreement, the Company's obligations continue as if the casualty had not occurred, it is likely that in such event the Team would play its Home Games at an alternative location during reconstruction. The use of another facility during reconstruction could adversely affect the level of Ticket Sale and Suite License Proceeds. Similarly, if the Stadium is subject to a Substantial Taking by a governmental authority through the exercise of its eminent domain powers, the Lease Agreement would terminate, subject to certain rights of the Bond Trustee for the PILOT Bonds, including the Series 2020 PILOT Bonds, to receive a share of the condemnation proceeds. There can be no assurance that such proceeds will be sufficient to pay in full all obligations due under the PILOT Bonds, including the Series 2020 PILOT Bonds. If the Stadium is the subject of a Taking by a governmental authority which is less than a Substantial Taking and is restored by the Company pursuant to the Lease Agreement, Ticket Sale and Suite License Proceeds could decline during and following such restoration. In addition, the Actual Taxes calculated under the PILOT Agreement may be reduced as a result of damage to or destruction or condemnation of the Stadium. Such a reduction could result in a material adverse reduction in PILOT Revenues and adversely affect the ability to pay the PILOT Bonds, including the Series 2020 PILOT Bonds.

### ***Cybersecurity***

The Partnership, like many other high-profile entities, relies on a large and complex technology environment to conduct its operations, and faces multiple cybersecurity threats including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, the "*Partnership Technology*"). As a recipient and provider of sensitive information, the Partnership may be the target of cybersecurity incidents that could result in adverse consequences to the Partnership Technology, requiring a response action to mitigate the consequences.

Cybersecurity incidents could result from unintentional events or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Partnership Technology for nefarious purposes including, but not limited to, the misappropriation of assets or information or causing operational disruption and damage. To mitigate the risk and/or damage from cybersecurity incidents or cyber-attacks, the Partnership invests in multiple forms of cybersecurity and operational safeguards. No assurances can be given that these safeguards will prevent cybersecurity events which may, individually or in the aggregate, have a material and adverse impact on Ticket Sale and Suite License Proceeds, PILOT Revenues and the ability to pay Debt Service on the PILOT Bonds, including the Series 2020 PILOT Bonds, could be adversely affected.

The Partnership currently maintains cybersecurity insurance policies in amounts which it believes are commercially reasonable. No assurances can be given regarding the continued availability or

utilization of such policies or the sufficiency of such policies to address, individually or in the aggregate, any cybersecurity incidents which may arise in the future.

### **Bond Insurance Risk Factors**

In the event of default of the payment of principal of or interest on the Insured Series 2020 PILOT Bonds when all or some becomes due, or in the event any such payment is recovered from the owners of the Insured Series 2020 PILOT Bonds as a voidable preference under applicable bankruptcy law, the Bond Trustee, on behalf of the owners of the Insured Series 2020 PILOT Bonds, shall have a claim under the Policy for such payments. However, in the event of any advancement of the due date of such principal by reason of mandatory or optional redemption, the payments under the Policy are to be made in such amounts and at such times as such payments would have been due had there not been any such advancement. See **APPENDIX N-“SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”**

So long as the Insurer is not in default under the Policy, the Bond Trustee must exercise remedies at the direction of the Insurer and may not exercise remedies at the direction of the applicable bondholders without the consent of the Insurer.

In the event that the Insurer is unable to make payment of principal or interest as such payments become due under the Policy, the Insured Series 2020 PILOT Bonds are payable solely from the moneys available under the PILOT Indenture. In the event that the Insurer becomes obligated to make payments with respect to the Insured Series 2020 PILOT Bonds, no assurance is given that such event will not adversely affect the market price of the Insured Series 2020 PILOT Bonds or the marketability of the Insured Series 2020 PILOT Bonds.

The long-term ratings on the Insured Series 2020 PILOT Bonds are dependent in part on the financial strength of the Insurer and its claims paying ability. The Insurer’s financial strength and claims paying ability are predicated upon a number of factors that could change over time. No assurance is given that the long-term ratings of the Insurer and the ratings of the Insured Series 2020 PILOT Bonds will not be subject to downgrade. Any such event could adversely affect the market price or marketability of the Insured Series 2020 PILOT Bonds. See **“BOND INSURANCE”** and **“RATINGS”** herein.

The obligations of the Insurer under the Policy are contractual obligations and, in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the Issuer nor the Underwriters have made an independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. See **“BOND INSURANCE”** herein for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

### **LEGAL MATTERS**

Legal matters in connection with the authorization, issuance and sale of the Series 2020 PILOT Bonds are subject to the approving opinion of Nixon Peabody LLP, New York, New York, Bond Counsel. Certain legal matters will be passed upon for the Issuer by its General Counsel; for the Company by its counsel, Herrick, Feinstein LLP, New York, New York; and for the Underwriters by their counsel, Katten Muchin Rosenman LLP, New York, New York.

The various legal opinions to be delivered concurrently with the delivery of the Series 2020 PILOT Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of the parties to the transaction. Nor does the rendering of an opinion guaranty the outcome of any legal dispute that may arise out of the transaction.

## **CONTINUING DISCLOSURE UNDER RULE 15C2-12**

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the Issuer, the Company and the Bond Trustee will enter into a written agreement (the “*Continuing Disclosure Agreement*”) for the benefit of the owners of the Series 2020 PILOT Bonds, pursuant to which the Issuer will undertake to provide the Issuer Annual Financial Information (as defined in the Continuing Disclosure Agreement) and the Company will undertake to provide the Company Annual Financial Information (as defined in the Continuing Disclosure Agreement) and notice of certain events, if material. The Continuing Disclosure Agreement, in substantially the form which the Issuer, the Bond Trustee and the Company expect to execute and deliver in connection with the issuance and sale of the Series 2020 PILOT Bonds, is attached as **APPENDIX K—“FORM OF CONTINUING DISCLOSURE AGREEMENT”** to this Official Statement.

Pursuant to the Continuing Disclosure Agreement, commencing with the Company’s 2020 fiscal year, the Company will be required to provide the Company Annual Financial Information with respect to each fiscal year to the Municipal Securities Rulemaking Board (the “*MSRB*”) through its Electronic Municipal Market Access (“*EMMA*”) System by no later than one hundred eighty (180) days after the end of such fiscal year. The events which will be noticed on an occurrence basis and the other terms and conditions of the Continuing Disclosure Agreement, including, without limitation, termination, amendment and remedies, are set forth in the form of Continuing Disclosure Agreement annexed hereto as Appendix K. Any failure by any of the Issuer, the Company or the Trustee to perform its obligations under the Continuing Disclosure Agreement shall not constitute a default or any Event of Default under the PILOT Indenture, and the rights and remedies provided by the PILOT Indenture upon the occurrence of a default or an Event of Default shall not apply to such failure.

Under its prior continuing disclosure agreement for the Series 2006 PILOT Bonds and Series 2009 PILOT Bonds, the Company is required to file certain annual information within one hundred eighty (180) days of the end of its fiscal year. For the last five (5) fiscal years, the Company made these filings between one hundred eighty-one (181) and one hundred ninety-two (192) days after the end of its fiscal year. Further, certain filings initially were not made under all outstanding CUSIP numbers. Supplemental filings have since been made under all outstanding CUSIP numbers.

## **UNDERWRITING**

The Series 2020 PILOT Bonds are being purchased by Goldman Sachs & Co. LLC (as representative of the Underwriters). The Underwriters have agreed to purchase the Series 2020 PILOT Bonds from the Issuer at an aggregate purchase price of \$990,187,433.56. The obligation of the Underwriters to accept delivery of the Series 2020 PILOT Bonds is subject to various conditions contained in the Bond Purchase Agreement. The Underwriters will be obligated to purchase all Series 2020 PILOT Bonds if any Series 2020 PILOT Bonds are purchased. The Series 2020 PILOT Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2020 PILOT Bonds into investment trusts) at prices lower than the public offering price set forth on the cover page of this Official Statement, and such public offering price may be changed, from time to time, by the Underwriters.

In addition, certain of the Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by the Issuer as Underwriters) for the distribution of the offered bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriters have requested the addition of the following: 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 Issuer and to persons and entities with relationships with the Issuer, 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 trade 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.

The Company has agreed to indemnify the Underwriters and the Issuer with respect to certain liabilities, including certain liabilities under the federal securities laws.

#### **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

The Company is hereby providing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in any forward-looking statements made in this Official Statement. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "intends," "plans," "projection" and "outlook") are not historical facts and may be forward-looking and, accordingly, such statements involve estimates, assumptions and uncertainties which could cause actual results to differ materially from those expressed in the forward-looking statements.

Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the factors discussed throughout, this Official Statement.

The risk factors described throughout this Official Statement could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements of the Company made by or on behalf of the Company, and investors, therefore, should not place undue reliance on any such forward-looking statements. In particular, the effects of the COVID-19 pandemic on economic conditions, the sports industry and Major League Baseball in general, and the financial position and operating results of the Partnership, and the monies assigned to the Company, have been materially adverse, continue to change in some cases rapidly, and cannot be predicted. Further, any forward-looking statement speaks only as of the date on which such statement is made, and the Company does not

undertake any obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors may emerge from time to time, and it is not possible for Company management to predict all of such factors. Further, Company management cannot assess the impact such factors may have on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

## RATINGS

Upon closing, Fitch Ratings (“*Fitch*”), S&P, Moody’s and KBRA are expected to assign the following ratings to the respective Series 2020 Bonds:

	Insured Series 2020 PILOT Bonds		Series 2020A PILOT Bonds maturing March 1, 2045 (yielding 2.73%) March 1, 2049 (yielding 3.10%)
	Insured Rating <sup>1</sup>	Underlying Rating	
<b>Fitch</b>		“BBB+”	“BBB+”
<b>Moody’s</b>	“A2”	“Baa1”	“Baa1”
<b>S&amp;P</b>	“AA”		
<b>KBRA</b>	“AA+”		

1. Ratings expected to be assigned based on the understanding that the Policy insuring the scheduled repayment of principal and interest due with respect to the Insured Series 2020 PILOT Bonds will be issued by AGM upon the issuance of the Insured Series 2020 PILOT Bonds.

The Series 2006 PILOT Bonds and the Series 2009 PILOT Bonds have been assigned ratings of (i) “BBB+” by Fitch and (ii) “Baa1” by Moody’s.

Such ratings reflect only the views of such organizations, and an explanation of the significance of such ratings may be obtained only from the rating agencies furnishing the ratings at the following addresses: Fitch, 33 Whitehall Street, New York, New York 10004; Moody’s, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; S&P, 55 Water Street, New York, New York 10041; and/or KBRA, 805 Third Avenue, 29<sup>th</sup> Floor, New York, New York 10022. There can be no assurance that such ratings will be continued for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal may have an adverse effect on the market price of the Series 2020 PILOT Bonds. The Issuer has undertaken no responsibility either to bring to the attention of the owners of the Series 2020 PILOT Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal.

## VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of (i) the mathematical computations of the adequacy of the cash and the maturing principal of and interest earned on the government obligations to be held in escrow to pay maturing principal or redemption price of, and interest on, the Refunded PILOT Bonds and (ii) certain mathematical computations supporting the conclusion that the Series 2020 PILOT Bonds are not “arbitrage bonds” under the Code, will be verified by Samuel Klein and Company, Certified Public Accountants. See “**PLAN OF REFUNDING.**”

## TAX MATTERS – SERIES 2020A PILOT BONDS

### Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2020A PILOT Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2020A PILOT Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2020A PILOT Bonds. The Issuer pursuant to the PILOT Indenture and the Tax Certificate, and the Company and the Partnership pursuant to the Tax Certificate, have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2020A PILOT Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Issuer has made certain representations and certifications in the PILOT Indenture and the Tax Certificate and the Company and the Partnership have made certain representations and certifications in the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenants, and the accuracy of certain representations and certifications made by the Issuer, the Company and the Partnership described above, interest on the Series 2020A PILOT Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

### State Taxes

Bond Counsel is also of the opinion that, under existing law, interest on the Series 2020A PILOT Bonds is, by virtue of the Act, exempt from personal income taxation 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 New York State or local tax consequences arising with respect to the Series 2020A PILOT Bonds nor as to the taxability of the Series 2020A PILOT Bonds or the income therefrom under the laws of any jurisdiction other than the State of New York.

### Original Issue Discount

Bond Counsel is further of the opinion that the excess of the principal amount of a maturity of the Series 2020A PILOT Bonds over its issue price (i.e., the first price at which price a substantial amount of such maturity of the Series 2020A PILOT Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a “Discount Series 2020A PILOT Bond” and collectively the “Discount Series 2020A PILOT Bonds”) constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2020A PILOT Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Series 2020A PILOT Bond and the basis of each Discount Series 2020A PILOT Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Series 2020A PILOT Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Series 2020A PILOT Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Series 2020A PILOT Bonds.



## **Original Issue Premium**

Series 2020A PILOT Bonds sold at prices in excess of their principal amounts are “Premium Series 2020A PILOT Bonds”. An initial purchaser with an initial adjusted basis in a Premium Series 2020A PILOT Bond in excess of its principal amount will have amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Series 2020A PILOT Bond based on the purchaser’s yield to maturity (or, in the case of Premium Series 2020A PILOT Bonds callable prior to their maturity, over the period to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Series 2020A PILOT Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser’s adjusted basis in such Premium Series 2020A PILOT Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Series 2020A PILOT Bonds. Owners of the Premium Series 2020A PILOT Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Series 2020A PILOT Bonds.

## **Ancillary Tax Matters**

Ownership of the Series 2020A PILOT Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2020A PILOT Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2020A PILOT Bonds is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2020A PILOT Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as Appendix J to this Official Statement. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2020A PILOT Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

## **Changes in Law and Post Issuance Events**

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2020A PILOT Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2020A PILOT 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), repeal of the exclusion of the interest on the Series 2020A PILOT Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any

legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series 2020A PILOT Bonds may occur. Prospective purchasers of the Series 2020A PILOT Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2020A PILOT Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2020A PILOT Bonds may affect the tax status of interest on the Series 2020A PILOT Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 2020A PILOT Bonds, or the interest thereon, if any action is taken with respect to the Series 2020A PILOT Bonds or the proceeds thereof upon the advice or approval of other counsel.

The form of the approving opinion of Bond Counsel is attached to this Official Statement as **APPENDIX J – “FORM OF BOND COUNSEL OPINION.”**

## **TAX MATTERS - SERIES 2020B PILOT BONDS**

### **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 Series 2020B PILOT Bonds. The summary is based upon the provisions of 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 Series 2020B PILOT 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 Series 2020B PILOT 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 Series 2020B PILOT Bonds at their initial issue price except where otherwise specifically noted. Potential purchasers of the Series 2020B PILOT 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 Series 2020B PILOT Bonds.

The Issuer has not sought and will not seek any rulings from the IRS with respect to any matter discussed herein. No assurance can be given that the IRS 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 Series 2020B PILOT 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 Series 2020B PILOT 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 Series 2020B PILOT 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 Series 2020B PILOT Bonds.

### **Taxation of Interest Generally**

Interest on the Series 2020B PILOT 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 Series 2020B PILOT Bonds. In general, interest paid on the Series 2020B PILOT 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 Series 2020B PILOT 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, the IRS issued proposed regulations which 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 Series 2020B PILOT Bonds should consult their own tax advisors regarding the potential applicability of these rules and their impact on the timing of the recognition of income related to the Series 2020B PILOT Bonds under the Code.

### **State Taxes**

Bond Counsel is of the opinion that, under existing law, interest on the Series 2020B PILOT Bonds is, by virtue of the Act, exempt from personal income taxation 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 New York State or local tax consequences arising with respect to the Series 2020B PILOT Bonds nor as to the taxability of the Series 2020B PILOT Bonds or the income therefrom under the laws of any jurisdiction other than the State of New York.

### **Original Issue Discount**

The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Series 2020B PILOT Bonds issued with original issue discount ("*Discount Series 2020B PILOT Bonds*"). A Series 2020B PILOT 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 Series 2020B PILOT 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 Series 2020B PILOT 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 Series 2020B PILOT Bond's "stated redemption price at maturity" is the total of all payments provided by the Series 2020B PILOT 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 Series 2020B PILOT Bond is the sum of the "daily portions" of original issue discount with respect to such Discount Series 2020B PILOT Bond for each day during the taxable year in which such holder held such Series 2020B PILOT Bond. The daily portion of original issue discount on any Discount Series 2020B PILOT 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 Series 2020B PILOT 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 Series 2020B PILOT 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 Series 2020B PILOT Bond at the beginning of any accrual period is the sum of the issue price of the Discount Series 2020B PILOT Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Discount Series 2020B PILOT 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.

Holders 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 Series 2020B PILOT Bond by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

Holders that use an accrual method of accounting may be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements of such holder as discussed under "Recognition of Income Generally" above. Prospective purchasers of the Series 2020B PILOT Bonds should consult their own tax advisors regarding the potential applicability of this rule and its impact on the timing of the recognition of income related to the Series 2020B PILOT Bonds under the Code.

### **Market Discount**

A holder who purchases a Series 2020B PILOT 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 a Series 2020B PILOT 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 Series 2020B PILOT Bond who acquires such Series 2020B PILOT Bond at a market discount also may be required to defer, until the maturity date of such Series 2020B PILOT 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 Series 2020B PILOT 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 Series 2020B PILOT Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2020B PILOT Bond for the days during the taxable year on which the holder held the Series 2020B PILOT 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 Series 2020B PILOT 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.

Holders that use an accrual method of accounting may be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements of such holder as discussed under "Recognition of Income Generally" above. Prospective purchasers of the Series 2020B PILOT Bonds should consult their own tax advisors regarding the potential applicability of this rule and its impact on the timing of the recognition of income related to the Series 2020B PILOT Bonds under the Code.

### **Bond Premium**

A holder of a Series 2020B PILOT Bond who purchases such Series 2020B PILOT 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 Series 2020B PILOT Bonds held by the holder on the first day of the taxable year to which the election applies and to all Series 2020B PILOT 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 Series 2020B PILOT Bonds who acquire such Series 2020B PILOT Bonds at a premium should consult with their own tax advisors with respect to federal, state and local tax consequences of owning such Series 2020B PILOT Bonds.

## **Surtax on Unearned Income**

Section 1411 of the Code generally imposes a tax of 3.8% 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 Bonds**

A bondholder’s adjusted tax basis for a Series 2020B PILOT Bond is the price such holder pays for the Series 2020B PILOT 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 Series 2020B PILOT Bond other than “qualified stated interest” and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Series 2020B PILOT 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 Series 2020B PILOT Bond is held as a capital asset (except in the case of Series 2020B PILOT 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 Series 2020B PILOT 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 Series 2020B PILOT Bond under the defeasance provisions of the PILOT Indenture could result in a deemed sale or exchange of such Series 2020B PILOT Bond.

EACH POTENTIAL HOLDER OF SERIES 2020B PILOT BONDS SHOULD CONSULT ITS OWN TAX ADVISOR CONCERNING (1) THE TREATMENT OF GAIN OR LOSS ON SALE, REDEMPTION OR DEFEASANCE OF THE SERIES 2020B PILOT BONDS, AND (2) THE CIRCUMSTANCES IN WHICH SERIES 2020B PILOT 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 Series 2020B PILOT 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 Issuer 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 Issuer, (2) is not a controlled foreign corporation for United States tax purposes that is related to the Issuer (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 Issuer, 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 Series 2020B PILOT Bonds must certify to the Issuer 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 Issuer 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 Series 2020B PILOT 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 equal to 30% (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 Series 2020B PILOT 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 Series 2020B PILOT 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 Series 2020B PILOT Bonds, FATCA imposes U.S. withholding tax on interest payments and, for dispositions after December 31, 2018, gross proceeds of the sale of the Series 2020B PILOT 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 Series 2020B PILOT Bonds shall have no recourse against the Issuer, nor will the Issuer 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 Series 2020B PILOT 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 Series 2020B PILOT Bonds.

### **Information Reporting and Backup Withholding**

For each calendar year in which the Series 2020B PILOT Bonds are outstanding, the Issuer, 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 Issuer, 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 Series 2020B PILOT 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 Issuer, 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 Issuer 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 Series 2020B PILOT 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 Series 2020B PILOT 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. Holders should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the Series 2020B PILOT Bonds, including the tax consequences under federal, state, local, foreign and other tax laws and the possible effects of changes in those tax laws.



## 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 Series 2020B PILOT Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2020B PILOT 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 Series 2020B PILOT Bonds. Prospective purchasers of the Series 2020B PILOT Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Series 2020B PILOT 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 SERIES 2020B PILOT 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 Series 2020 PILOT 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 Series 2020 PILOT Bonds might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of the Issuer were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor (the “*Plan Assets Regulation*”), the assets of the Issuer 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 Issuer 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 Series 2020 PILOT 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 Series 2020 PILOT Bonds, including the reasonable expectation of purchasers of Series 2020 PILOT Bonds that the Series 2020 PILOT 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 Series 2020 PILOT Bonds are treated as an equity interest for such purposes, though, the acquisition or holding of Series 2020 PILOT Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the Issuer 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 Series 2020 PILOT 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 Series 2020 PILOT 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 class or other exemption will be available with respect to any particular transaction involving the Series 2020 PILOT Bonds, or that, if available, the exemption would cover all possible prohibited transactions.

By acquiring a Series 2020 PILOT 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 Series 2020 PILOT Bond (or interest therein) with the assets of a Benefit Plan, Governmental Plan or Church Plan; or (ii) the acquisition and holding of the Series 2020 PILOT 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 Similar Laws. A purchaser or transferee who acquires Series 2020 PILOT 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 Issuer, the Trustee, the Underwriters or any of their respective affiliates may receive certain benefits in connection with the sale of the Series 2020 PILOT Bonds, the purchase of the Series 2020 PILOT 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 Series 2020 PILOT Bonds using plan assets of a Benefit Plan should consult with its counsel if the Issuer, 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 Series 2020 PILOT 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 and the applicability of Similar Laws.

## **LITIGATION**

### **The Issuer**

There is not now pending or, to the knowledge of the Issuer, threatened, any litigation restraining or enjoining the issuance of the Series 2020 PILOT Bonds or questioning or affecting the validity of the Series 2020 PILOT Bonds or the proceedings and authority under which they are to be issued. Neither the creation, existence, nor the title of, or a quorum of the present members of the Issuer or their respective offices, is being questioned. There is no litigation pending or, to the Issuer's knowledge, threatened, which in any manner questions the right of the Issuer to enter into the Agency Documents to which the Issuer is a party or which the Issuer believes is reasonably likely to have a material adverse effect on its ability to consummate the transactions contemplated thereby or to secure the Series 2020 PILOT Bonds in the manner provided herein.

### **The Company**

There is not now pending or, to the knowledge of the Company, threatened, any litigation restraining or enjoining the issuance of the Series 2020 PILOT Bonds or questioning or affecting the validity of the Series 2020 PILOT Bonds or the proceedings and authority under which they are to be issued. Neither the creation, existence, nor the title of, or a quorum of the present members of the Company or their respective offices, is being questioned. There is no litigation pending or, to the Company's knowledge, threatened, which in any manner questions the right of the Company to enter into the Bond Documents or the Lease Documents to which the Company is a party or which the Company believes is reasonably likely to have a material adverse effect on its ability to consummate the transactions contemplated thereby.

## **MISCELLANEOUS**

The foregoing descriptions and summaries of the PILOT Bonds, including the Series 2020 PILOT Bonds, the Bond Documents, the Policy, the Lease Documents, the Non-Relocation Agreement and all references to other documents or materials not purporting to be quoted in full herein or in the Appendices attached hereto are only brief outlines of some of the provisions therein and do not purport to summarize or describe all of the provisions thereof. Reference is hereby made to such documents and materials for

the complete provisions thereof, copies of which may be examined at the Bond Trustee's principal office in New York, New York. Any statements in this Official Statement involving matters of opinion, regardless of whether expressly so stated, including statements of belief and any estimates or forecasts, are intended solely as such and are not to be construed as representations of fact. Prospective purchasers of the Series 2020 PILOT Bonds are also cautioned that the information provided herein is subject to change without notice after the offering period for the Series 2020 PILOT Bonds and that the accuracy of any information contained in this Official Statement obtained from sources other than the Company is not guaranteed and, therefore, potential investors in the Series 2020 PILOT Bonds are urged to consult with their own advisors concerning such information and projections. This Official Statement is not to be construed as a contract among the Issuer, the Company and the purchasers of the Series 2020 PILOT Bonds.

[Remainder of this page intentionally left blank]

The distribution of this Official Statement by the Underwriters has been duly authorized by the Issuer and approved by the Company. This Official Statement is made available only in connection with the sale of the Series 2020 PILOT Bonds and may not be used in whole or in part for any other purpose.

NEW YORK CITY INDUSTRIAL  
DEVELOPMENT AGENCY



By: /s/ Krishna Omolade  
Name: Krishna Omolade  
Title: Executive Director

APPROVED:

YANKEE STADIUM LLC

By: /s/ Anthony G. Bruno  
Name: Anthony G. Bruno  
Title: Vice President

The distribution of this Official Statement by the Underwriters has been duly authorized by the Issuer and approved by the Company. This Official Statement is made available only in connection with the sale of the Series 2020 PILOT Bonds and may not be used in whole or in part for any other purpose.

NEW YORK CITY INDUSTRIAL  
DEVELOPMENT AGENCY

By: /s/ Krishna Omolade  
Name: Krishna Omolade  
Title: Executive Director

APPROVED:

YANKEE STADIUM LLC



By: /s/ Anthony G. Bruno  
Name: Anthony G. Bruno  
Title: Vice President

[THIS PAGE INTENTIONALLY LEFT BLANK]

## APPENDIX A

### Definitions of Certain Terms

The following terms, as generally used in this Official Statement, have the respective meanings provided below. These summary definitions do not purport to be complete or definitive and are qualified in their entirety by reference to the Third Amended and Restated Master Glossary. Following these definitions are certain terms used in the Non-Relocation Agreement.

“**AAA**” means the American Arbitration Association (or any organization successor thereto).

“**Accounts**” means each account or all of the accounts designated, created and established in Section 5.01 of the Master PILOT Indenture, Section 5.01 the Master Rental Indenture and such accounts created pursuant to each Supplemental Indenture, as the case may be.

“**Accrued Aggregate Debt Service**” means, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service with respect to a Series and all Parity Debt, calculating the accrued Debt Service with respect to each Series at an amount equal to the sum of (i) interest on the Bonds of such Series and all Parity Debt accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Principal Payments due and unpaid and that portion of the Principal Payments for such Series and such Parity Debt next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such calendar month.

“**Act**” means, collectively, the Enabling Act and Chapter 1082 of the 1974 Laws of New York, as amended.

“**Actual Taxes**” means the real estate taxes and assessments for the relevant PILOT Year which would have been levied upon or with respect to the Facility if the Facility were not exempt by virtue of the Agency’s interest therein.

“**Additional Bond Year Requirement**” means the amount necessary to be deposited to the PILOT Bonds Revenue Fund if at any time during a Bond Year the amount on deposit in the Funds and Accounts held under the PILOT Indenture is insufficient to pay when due (i) Annual Net Debt Service; (ii) Bond Fees, including the Agency PILOT Bond Administrative Fee; (iii) Swap Payments; (iv) Reimbursement Obligations; (v) the amount needed to cure any deficiencies in the PILOT Bonds Special Reserve Account, the PILOT Bonds Debt Service Reserve Account and the PILOT Bonds Strike Reserve Account; (vi) Debt Service on Subordinated Indebtedness; (vii) the Rebate Amount; and (viii) any other amounts required to be paid by the Agency in accordance with the terms of the PILOT Indenture in the current Bond Year.

“**Additional Expense**” means any additional Operating Expense or Capital Expenditure not set forth in the Approved Annual Budget.

“**Additional PILOT Bonds**” means PILOT Bonds issued pursuant to Section 2.04 of the Master PILOT Indenture.

“**Additional PILOT Mortgages**” mean the three additional Leasehold PILOT Mortgages dated February 1, 2009 made by the Agency and the Company, as mortgagors, in favor of the Agency, as mortgagee, each recorded in the City Register on March 5, 2009.



**“Additional PILOT Mortgages Assignment”** means the Assignment of PILOT Mortgages dated as of February 1, 2009, made by the Agency, as Assignor, to the PILOT Trustee, as Assignee, which was recorded in the City Register on March 5, 2009 as CRFN 2009000064503.

**“Additional Rent”** means the Rental payable pursuant to Section 3.02 of the Lease Agreement.

**“Additional Rental Bonds”** means Rental Bonds issued pursuant to Section 2.04 of the Master Rental Indenture.

**“Additional Swap Agreements”** means Tax and/or interest rate swaps, options, caps, collars, floors or other similar or related agreements or arrangements.

**“Agency PILOT Bond Administrative Fee”** mean an administrative fee payable to the Agency in the amount of \$50,000.00 per annum.

**“Administrative Fee”** means an administrative fee payable to Sublandlord in the amount of \$50,000.00 per annum.

**“Advertising Signage”** means and includes any and all advertising signs and other advertising media, including, without limitation, names, logos, and corporate identifiers, that may be located at the Premises at any time, including, without limitation, any and all such advertising media in or affixed to the Stadium or any part thereof, including static signs, video and/or audio displays, holograms, electronic insertions in any communications or display media, billboards, scoreboards, clocks, concourses, seats, fences and grandstands.

**“Affiliate”** means, when used with respect to a Person, any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust or individual controlled by, under common control with, or which controls such Person. For the purposes of this definition, “control” of a Person means the beneficial ownership of more than 50% of the class of securities entitled to vote for the election of members of the board of directors or similar governing body of such Person, and “controlling”, “controlled by” and “under common control” shall have the corresponding meanings.

**“AGC PILOT Bonds Strike Reserve Account Policy”** means the debt service reserve financial guaranty insurance policy issued by the Series 2009A PILOT Bond Insurer, simultaneously with the issuance of the Series 2009A PILOT Bonds.

**“Agency”** or **“Issuer”** means the New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation duly organized and existing under the laws of the State.

**“Agency Documents”** means the Bond Documents, the Lease Documents and the Non-Relocation Agreement.

**“Agency Indemnitees”** means the Agency and its officers, members, employees, directors, agents (excluding for this purpose the Company and its members, managers, officers, employees, agents and affiliates) and Persons under the control or supervision of the Agency.

**“Agency’s Reserved Rights”** means, collectively,

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

(ii) the right of the Agency to grant or withhold any consents or approvals required of the Agency under the Agency Documents except to the extent such right has been specifically assigned under such Agency Document;

(iii) the right of the Agency to enforce in its own behalf the obligation of the Company to complete the Project or any Capital Improvements thereto;

(iv) the right of the Agency in its own behalf to enforce, receive amounts payable under or otherwise exercise its rights under Sections 3.03, 4.04, 4.06, 4.07, 6.01, 6.02, 7.03, 9.01, 9.02, 9.04, 10.01, 10.03, 13.01, 14.01, 14.02, 14.03, 14.04, 14.05, 14.06, 14.07, 17.01, 18.01, 19.04, 19.07, 21.01, 21.03, 22.01, 23.01, 23.02, 23.04, 26.01, 28.02, 32.01, 32.03, 33.01, 34.01, 36.01, 36.02, 38.05(a), 38.19, 38.27, 38.28 and 38.29 of the Lease Agreement subject to the limitations contained therein; and

(v) the right of the Agency in its own behalf to declare an Event of Default under Section 24.01 of the Lease Agreement or with respect to any of the Agency's Reserved Rights, subject to the limitations contained therein.

**“Agency’s Unassigned PILOT Rights”** or **“Unassigned PILOT Rights”** means the rights of the Agency under Sections 8(a), 15 and 18 of the PILOT Agreement.

**“Agent”** shall have the meaning set forth in Section 38.21(c) of the Lease Agreement.

**“AGMC PILOT Bonds Strike Reserve Account Policy”** shall mean Municipal Bond Debt Service Reserve Insurance Policy issued by the Series 2020 PILOT Bond Insurer in replacement of the AGC PILOT Bonds Strike Reserve Account Policy, simultaneously with the issuance of the Series 2020 PILOT Bonds, in the amount of the PILOT Bonds Strike Reserve Account Requirement. At the time it is issued, the AGMC PILOT Bonds Strike Reserve Account Policy shall constitute a “PILOT Bonds Strike Reserve Account Credit Facility” and a “General PILOT Bonds Strike Reserve Account Credit Facility” under and for all purposes of the PILOT Indenture.

**“Aggregate Annual Net Debt Service”** means, with respect to Outstanding Bonds, for any period and as of any date of calculation, the sum of the amounts of Annual Net Debt Service for each Series of Bonds for such period with respect thereto.

**“Aggregate Debt Service”** means, as of any date of calculation for the then applicable period, an amount equal to the sum of the amounts of Debt Service with respect to all Series and all Parity Debt accruing and payable during such period.

**“Agreement”** means the equal employment opportunity commitments of the Tenant under the Lease Agreement and all employment programs and other agreements between such Tenant and the Bureau.

**“Amended and Restated PILOT Assignment”** means the Amended and Restated PILOT Assignment and Escrow Agreement, dated as of September 1, 2020, by and among the Agency, the Bond Trustee, the City and the PILOT Trustee.

**“Amended and Restated PILOT SNDA”** means the Amended and Restated Subordination, Non-Disturbance and Attornment Agreement (PILOT Mortgage) dated as of February 1, 2009, between the Partnership and the PILOT Trustee, and consented to by the Company, which was recorded in the City Register on March 5, 2009, as CRFN 2009000064543.

**“Amended and Restated Mortgage Subordination, Standstill and Recognition Agreement”** means the Amended and Restated Mortgage Subordination, Standstill and Recognition Agreement, dated as of February 1, 2009, between the PILOT Trustee and the Rental Bond Trustee, which was recorded in the City Register on March 5, 2009 as CRFN 2009000064545.

**“Amended and Restated Recognition, Non-Disturbance and Attornment Agreement”** or **“Existing Recognition Agreement”** means the Amended and Restated Recognition, Non-Disturbance and Attornment Agreement between the City and the Company, dated as of February 1, 2009, which was recorded in the City Register on March 5, 2009 as CRFN 2009000064498.

**“Amended and Restated Subordination, Non-Disturbance and Attornment Agreement”** means the Amended and Restated Subordination, Non-Disturbance and Attornment Agreement (Rental Mortgage), dated as of February 1, 2009, among the Rental Bond Trustee, the Company and the Partnership, which was recorded in the City Register on March 5, 2009 as CRFN 2009000064547.

**“Amended PILOT Agreement”** means the PILOT Agreement, as the same shall be amended to provide for an increase in the amounts of PILOTs payable as set forth in Exhibit A thereto.

**“Amended Stadium Lease Agreement”** means the Stadium Lease Agreement as the same shall be amended to provide for an increase in the amount of Rentals payable thereunder.

**“Amended Stadium Sublease Agreement”** means the Stadium Sublease Agreement as the same shall be amended to provide for an increase in the amount of rent payable thereunder.

**“Amortized Value”** shall equal the principal amount of any Series of Bonds to be redeemed multiplied by the price of such Series, expressed as a percentage, calculated based on the industry standard method of calculating bond prices, with (1) a delivery date equal to the date of redemption, (2) a maturity date equal to the date to which such Series is priced and (3) yield equal to such Series’ original reoffering yield.

**“Annual Budget”** means the budget for the operation and maintenance of the Premises prepared by Sublandlord and approved by Subtenant for each Lease Year pursuant to the Stadium Sublease Agreement, as the same may be amended from time to time in accordance with the Stadium Sublease Agreement, and shall include, without limitation, line items for all Capital Expenditures required to be performed by Sublandlord pursuant to the Stadium Sublease Agreement, Stadium Insurance costs and expenses and all Operating Expenses to be incurred in connection with all Stadium Events or otherwise in connection with Stadium Subtenant’s use and occupancy of the Premises.

**“Annual Budget Account”** means a segregated account established by the Sublease in a bank, trust company or other financial institution selected by the Sublandlord into which the Sublandlord shall deposit the component of Annual Rent constituting the Annual Budget Amount as and when received by Sublandlord.

**“Annual Budget Amount”** means, with respect to each Lease Year, (a) the amount necessary to pay all items of cost and expenses reflected in the Approved Annual Budget for such Lease Year, less (b)

Sublandlord's O&M Amount, if any, applicable to such Lease Year; which Annual Budget Amount shall be held in the Annual Budget Account for such purpose.

“**Annual Debt Service**” means the amount of Debt Service accruing and payable during a Bond Year.

“**Annual Net Debt Service**” means the amount of Debt Service accruing and payable during a Bond Year less any amounts to be received by the Agency in the same Bond Year pursuant to any investment contract that yields to the Agency a guaranteed rate of return.

“**Annual Rent**” means the annual rent owed by Subtenant to Sublandlord for each Lease Year during the Term of Sublease equal to the sum of (i) the PILOTs payable by Sublandlord during such Lease Year, (ii) all Base Rent and Additional Rent payable by Sublandlord to Landlord pursuant to Sections 3.01 and 3.02 of the Lease Agreement during such Lease Year, (iii) the Annual Budget Amount with respect to such Lease Year and (iv) amounts payable by Sublandlord during such Lease Year under the Swap Agreement.

“**applicable assessment**” means such applicable assessment as calculated by the City by multiplying (A) the then-applicable Estimated Market Value, by (B) the Equalization Ratio (each as defined below), and that for purposes of such calculation the following terms are understood to have the meanings set forth below:

1. “**Accrued Depreciation**” means the sum of Annual Depreciation deductions taken in each preceding PILOT Year and the current PILOT Year; provided, however, that, with respect to the Tenant Improvement Value, such sum shall never exceed ninety percent of the Original Tenant Improvement Value.

2. “**Annual Depreciation**” means, (A) with respect to the Tenant Improvement Value, six percent (6%) of the Original Tenant Improvement Value, and (B) with respect to the Improvement Value, one and two-tenths percent (1.2%) of the Original Improvement Value.

3. “**CCI**” means the then applicable annual rate of construction cost inflation as measured by the McGraw-Hill Engineering News-Record Construction Cost Index for the City.

4. “**CPI**” means the then applicable annual rate of consumer inflation as measured by the annual average seasonally adjusted CPI-U, U.S. City Average for All Items, published by the United States Bureau of Labor Statistics.

5. “**Equalization Ratio**” means the equalization ratio then applicable to Class Four Property, or any successor property classification established by the City that would otherwise be applicable to the Facility, for purposes of levying real property taxes on the Facility, if the Facility were subject to real property taxation.

6. “**Estimated Market Value**” means an amount equal to the sum of (A) the Land Value, (B) the Improvement Value, and (C) the Tenant Improvement Value.

7. “**Improvement Value**” means, with respect to the first PILOT Year, the Original Improvement Value, and with respect to each subsequent PILOT Year, (A) the Improvement Value during the immediately preceding PILOT Year as adjusted by the CCI less (B) Accrued Depreciation.

8. **“Land Adjustment Factor”** means the then applicable average annual rate of change in land values in Bronx County, expressed in decimal form, as determined by the City’s Department of Finance by reference to land sale data for the two fiscal tax years of the City that immediately precede the taxable status date for the then current fiscal tax year.

9. **“Land Value”** means, with respect to the first PILOT Year, the Original Land Value, and with respect to each subsequent PILOT Year, the product of (A) the Land Value during the immediately preceding PILOT Year and (B) one (1) plus the Land Adjustment Factor.

10. **“Original Land Value”** means the current full assessed value of the Land.

11. **“Original Improvement Value”** means the sum of (A) the actual cost of construction of the Improvements consisting of other than 15-year life real property, (B) the pro rata portion of the capitalized interest thereof and (C) the pro rata portion of the costs of issuance thereof.

12. **“Original Tenant Improvement Value”** means the sum of (A) the actual cost of construction of the Improvements consisting of 15-year life real property, (B) the pro rata portion of the capitalized interest thereof and (C) the pro rata portion of the costs of issuance thereof.

13. **“Tenant Improvement Value”** means, with respect to the first PILOT Year, the Original Tenant Improvement Value, and with respect to each subsequent PILOT Year, (A) the Tenant Improvement Value during the immediately preceding PILOT Year, as adjusted by the CPI less (B) Accrued Depreciation.

**“Applicable Tax-Exempt Municipal Bond Rate”** for any Bonds means the “Comparable AAA General Obligations” yield curve rate for the stated maturity date of such Bonds as published by Municipal Market Data five business days prior to the date of redemption. If no such yield curve rate is established for the applicable year, the “Comparable AAA General Obligations” yield curve rate for the two published maturities most closely corresponding to the applicable year will be determined, and the “Applicable Tax-Exempt Municipal Bond Rate” will be interpolated or extrapolated from those yield curve rates on a straight-line basis. This rate is made available daily by Municipal Market Data and is available to its subscribers through its internet address: [www.tm3.com](http://www.tm3.com). In calculating the Applicable Tax-Exempt Municipal Bond Rate, should Municipal Market Data no longer publish the “Comparable AAA General Obligations” yield curve rate, then the Applicable Tax-Exempt Municipal Bond Rate will equal the Consensus Scale yield curve rate for the applicable year. The Consensus Scale yield curve rate is made available daily by Municipal Market Advisors and is available to its subscribers through its internet address: [www.theconsensus.com](http://www.theconsensus.com). In the further event Municipal Market Advisors no longer publishes the Consensus Scale, the Applicable Tax-Exempt Municipal Bond Rate will be determined by a major market maker in municipal securities, as the quotation agent, based upon the rate per annum equal to the semiannual equivalent yield to maturity of those tax-exempt general obligation bonds rated in the highest rating category by Moody’s and S&P with a maturity date equal to the stated maturity date of such Bonds having characteristics (other than the ratings) most comparable to those of such bonds in the judgment of the quotation agent. The quotations agent’s determination of the Applicable Tax-Exempt Municipal Bond Rate is final and binding in the absence of manifest error.

**“Approved Annual Budget”** means each Annual Budget approved by Subtenant or deemed approved by Subtenant pursuant to Section 9.02 of the Stadium Sublease Agreement.

**“Approved Change Order”** means any Change Order which has been approved by the Construction Manager, Construction Monitor, the Architect and the Lease Agreement Tenant.

**“Architect”** means a duly licensed architect or engineer selected by the Lease Agreement Tenant.

**“Architect’s Agreement”** means the agreement between the Partnership and the Architect (the Partnership’s interest being subsequently assigned to the Company) for architectural, engineering and consulting services in connection with the design, construction and equipping of the Stadium, together with any and all amendments and modifications thereof approved by the Construction Monitor.

**“As-of-Right Expenditure”** means any expenditure (x) reasonably required in order to (i) comply with Sublandlord’s obligations under the Lease Agreement (including, without limitation, the payment of any Impositions contemplated by Article 6 of the Lease Agreement), (ii) comply with Requirements or (iii) address an emergency (to wit, an imminent and serious danger to persons or property) or (y) constituted by a deductible payable under insurance policies.

**“Asserted Cure”** has the meaning specified in Section 38.28(k)(i) of the Lease Agreement.

**“Asserted LW Violation”** has the meaning specified in Section 38.28(k)(i) of the Lease Agreement.

**“Assigned Interest”** or **“Ticket Sale and Suite License Proceeds”** means all proceeds received by or on behalf of the Partnership in connection with the (i) sale of tickets and (ii) suite license fees, in either case, exclusively relating to the admission price for attending Team Home Games played during a Regular MLB Season at either the Stadium or for so long as an event of force majeure or casualty is continuing, any other facility, exclusive of any and all (A) taxes paid on such sale of tickets or suite license fees, (B) fees, costs or expenses payable pursuant to the MLB Trinity or otherwise and (C) proceeds paid in respect or on account of any right, benefit, privilege, entitlement or amenity not directly related to admission to a Team Home Game played during a Regular MLB Season. The Partnership shall have the right, but not the obligation, from time to time in its sole and absolute discretion to include within the amount assigned under the Assignment of Ticket Sale and Suite License Proceeds other funds of the Partnership that the Partnership has elected to designate as funds included within the definitions of “Assigned Interest” and “Ticket Sale and Suite License Proceeds.” For purposes of providing clarity and greater specificity, (i) the terms “Ticket Sale and Suite License Proceeds” and “Assigned Interest” specifically exclude any and all (A) taxes paid on such sale of tickets or suite license fees, (B) fees, costs or expenses payable pursuant to the MLB Trinity or otherwise, (C) personal seat license, food, beverage, waiter/waitress service, catering, concierge and parking costs, fees and expenses and (D) other rights, benefits, privileges, entitlements or amenities not directly related to admission to a Team Home Game played during a Regular MLB Season; (ii) the amount of the Assigned Interest or Ticket Sale and Suite License Proceeds (A) shall not be reduced or impaired by ticket or suite refunds, which refunds shall be the sole and absolute obligation of the Partnership and (B) shall be increased and include, in the case of ticket or suite credits granted by the Partnership, a contribution by the Partnership in an amount equal to the amount of Assigned Interest or Ticket Sale and Suite License Proceeds that would have been received but for such credit; and (iii) in the event that any such proceeds resulting from the sale of tickets or suite license fees is included or bundled in a package of rights, benefits, privileges, entitlements or amenities not directly related to admission to a Team Home Game played during a Regular MLB Season, only that portion of the proceeds payable under such package on account of such sale of tickets or suite license fee shall be included within the definition of “Assigned Interest” and “Ticket Sale and Suite License Proceeds.”

**“Assignee”** means (i) with respect to the Lease Agreement, an assignee under an Assignment, (ii) with respect to the Assignment of Ticket Sale and Suite License Proceeds, the Company, (iii) with respect

to the Assignment of PILOT Mortgages, the PILOT Trustee and (iv) with respect to the Assignment of Rental Mortgage, the Rental Bonds Trustee.

**“Assignment”** means (i) other than for purposes of the Second Amended and Restated Partial Rent Assignment, the sale, exchange, assignment, or other disposition of all or any portion of Tenant’s interest in the Lease Agreement, or a Sublease of substantially all of Tenant’s interest in the Lease Agreement, whether by operation of law (*i.e.*, a merger or sale of the business of Tenant), or otherwise, and (ii) for purposes of the Second Amended and Restated Partial Rent Assignment, the Second Amended and Restated Partial Rent Assignment.

**“Assignment of PILOT Mortgages”** means, collectively, (i) that certain Assignment of PILOT Mortgages dated as of August 1, 2006 made by the Agency, as Assignor to the PILOT Trustee, as Assignee, which was recorded in the City Register on February 5, 2007 as CRFN 2007000067673 and (ii) that certain Assignment of PILOT Mortgages dated as of February 1, 2009 made by the Agency, as Assignor to the PILOT Trustee, as Assignee, which was recorded in the City Register on March 5, 2009 as CRFN 2009000064503.

**“Assignment of Rental Mortgage”** or **“Original Mortgage Assignment”** means the Assignment of Rental Mortgage dated as of August 1, 2006, made by the Agency, as Assignor to the Rental Bond Trustee, as Assignee, which was recorded in the City Register on February 5, 2007 as CRFN 2007000067679.

**“Assignment of Ticket Sale and Suite License Proceeds”** means the Assignment of Ticket Sale and Suite License Proceeds, dated as of August 1, 2006, between the Company and the Partnership, as amended by the First Amendment to Assignment of Ticket Sale and Suite License Proceeds and Second Amendment to Assignment of Ticket Sale and Suite License Proceeds.

**“Assignor”** means (i) with respect to the Assignment of Ticket Sale and Suite License Proceeds, the Partnership and (ii) with respect to the Assignment of PILOT Mortgages and the Assignment of Rental Mortgage, the Agency.

**“Assured Guaranty Municipal”** or **“AGMC”** means Assured Guaranty Municipal Corp., a New York domiciled insurance company.

**“Assured Guaranty”** or **“AGC”** means Assured Guaranty Corp., a Maryland domiciled insurance company.

**“Available Prepaid Rent”** means amounts on deposit in any subaccount in the Rental Bonds Prepaid Rent Account in the Rental Bonds Bond Fund on January 15 of each year which are available to be transferred to the Rental Bonds Revenue Fund in accordance with Section 5.05(e) of the Master Rental Indenture.

**“Authorized Representative”** means (i) in the case of the Agency, the Chairman, Vice Chairman, Treasurer, Assistant Treasurer, Secretary, Assistant Secretary, Executive Director, Deputy Executive Director, or General Counsel of the Agency, or any officer or employee of the Agency authorized to perform specific acts or to discharge specific duties, (ii) in the case of the Company, the officers and employees authorized to perform specific acts or to discharge specific duties as shall be specified in a certificate of the Company to be delivered to the Agency and the PILOT Bond Trustee or Rental Bond Trustee, as applicable.

**“Authorizing Resolution”** means, collectively, the resolutions duly adopted by the Agency on March 14, 2006, July 11, 2006, January 16, 2009 and July 28, 2020.

**“Bankruptcy Code”** means Section 365(h)(1) of the Federal bankruptcy code as amended from time to time and including any successor legislation thereto.

**“Bankruptcy Court”** means the federal courts created by the United States Congress that have subject-matter jurisdiction over bankruptcy cases.

**“Base Rent”** means annual rent of ten dollars per year to be paid by the Lease Agreement Tenant to the Lease Agreement Landlord pursuant to the Lease Agreement, subject to adjustment in the Extended Terms, as provided therein.

**“Baseball Season”** means the professional baseball season as fixed by Major League Baseball in any year as measured from the commencement of spring training for any Major League Baseball Club through the date of the last postseason game played by any Major League Baseball Club under the League Schedule.

**“Basic Agreement”** has the meaning assigned to such term in the definition of MLB Documents.

**“Beneficial Owner”** shall mean, so long as the PILOT Bonds or the Rental Bonds are held in a book-entry system, any Person who acquires a beneficial ownership interest in a PILOT Bond or Rental Bond held by the Securities Depository. If at any time the PILOT Bonds or the Rental Bonds, or any Series thereof, as the case may be, are not held in a book-entry system, “Beneficial Owner” shall mean a PILOT Bondholder for purposes of the PILOT Indenture or a Rental Bondholder for purposes of the Rental Indenture.

**“Board of Managers”** means the board of managers (or its functional equivalent) of the Lease Agreement Tenant.

**“BOC”** means the Office of the Commissioner of Baseball, an unincorporated association comprised of the Major League Baseball Clubs who are party to the Major League Constitution, and any successor organization thereto.

**“Bond”** or **“Bonds”** means the PILOT Bonds or the Rental Bonds, or any Series thereof, as the case may be.

**“Bond Documents”** means the PILOT Agreement, the PILOT Bonds, the PILOT Assignment, the PILOT Indenture, the Rental Bonds, the Rental Indenture, the PILOT Mortgages, the PILOT Mortgages Assignment, the Partial Lease Assignment, the PILOT SNDA, the Rental Mortgage, the Subordination of Mortgage, the Partial Rent Assignment, the Rental Mortgage Assignment, the Rental SNDA and the Assignment of Ticket Sales and Suite License Proceeds.

**“Bond Fees”** means PILOT Bond Fees or Rental Bond Fees, as applicable.

**“Bond Insurance Policy”** means a policy of bond insurance insuring the payment when due of the principal of and interest on a Series of Bonds issued to the Bond Trustee or the Rental Bonds Trustee, as the case may be, by a Bond Insurer.

**“Bond Insurer”** means any nationally-recognized company engaged in the business of insuring bonds which may from time to time issue a Bond Insurance Policy insuring the payment of the principal



of and interest on all or any portion of the Bonds of any Series and/or agree to provide Swap Insurance insuring Regularly Scheduled Swap Payments and/or Swap Termination Payments to be made by the Agency pursuant to a Qualified Swap.

“**Bond Issuance Charge**” means the fee collected pursuant to section 2976 of the Public Authorities Law of the State of New York.

“**Bond Trustee**” or “**PILOT Bond Trustee**” means The Bank of New York Mellon, in its capacity as Trustee under the Master PILOT Indenture.

“**Bond Year**” means the twelve-month period commencing on March 1 of each calendar year and ending on the last day of the following February.

“**Bond Year Requirement**” means, if not Estimated, (i) an amount equal to (A) the sum of amounts projected to be necessary in the next succeeding Bond Year to pay (1) Annual Debt Service, including any PILOT Bonds or Parity Debt proposed to be issued but excluding any PILOT Bonds or Parity Debt to be refunded with the proceeds of the proposed indebtedness, (2) Bond Fees, (3) Swap Payments, (4) Reimbursement Obligations, (5) the amount necessary to restore the amount on deposit in the PILOT Bonds Special Reserve Account, the PILOT Bonds Debt Service Reserve Account and the PILOT Bonds Strike Reserve Account to the PILOT Bonds Special Reserve Account Requirement, the PILOT Bonds Debt Service Reserve Account Requirement or the PILOT Bonds Strike Reserve Account Requirement, respectively, (6) Debt Service on PILOT Bonds Subordinated Indebtedness, (7) the Rebate Amount, and (8) any other amounts reasonably expected to be paid by the Agency in accordance with the terms of the PILOT Indenture in the next succeeding Bond Year less (B) the sum of (1) earnings on amounts expected to be received under any guaranteed investment contracts entered into in connection with any of the Funds and the Accounts held under the PILOT Indenture and (2) amounts deposited in the PILOT Bonds Revenue Fund representing interest on funds held under the PILOT Indenture in the current Bond Year as of January 15<sup>th</sup>; or, if Estimated, (ii) an amount equal to (A) the sum of amounts estimated to be necessary in the next succeeding Bond Year to pay (1) Annual Net Debt Service, including, if applicable, any PILOT Bonds or Parity Debt proposed to be issued but excluding any PILOT Bonds or Parity Debt to be refunded with the proceeds of the proposed indebtedness, calculating Debt Service on Variable Rate Bonds in accordance with the Supplemental Indenture authorizing such Variable Rate Bonds, (2) Bond Fees, (3) Swap Payments, (4) Reimbursement Obligations, (5) the amount necessary to restore the amount on deposit in the PILOT Bonds Special Reserve Account, the PILOT Bonds Debt Service Reserve Account and the PILOT Bonds Strike Reserve Account to the PILOT Bonds Special Reserve Account Requirement, the PILOT Bonds Debt Service Reserve Account Requirement or the PILOT Bonds Strike Reserve Account Requirement, respectively; (6) Debt Service on PILOT Bonds Subordinated Indebtedness, (7) the Rebate Amount, (8) \$10,000, and (9) any other amounts reasonably expected to be paid by the Agency in accordance with the terms of the PILOT Indenture in the next succeeding Bond Year less (B) the sum of (1) earnings on amounts received or expected to be received under any guaranteed investment contracts or investment agreements entered into in connection with any of the Funds and the Accounts held under the PILOT Indenture and (2) any other amounts on deposit in the PILOT Bonds Revenue Fund, the PILOT Bonds Interest Account and the PILOT Bonds Principal Account as of January 14<sup>th</sup> which are in excess of amounts necessary to make as of any remaining payments due or to become due in the then current Bond Year.

“**Bondholder**” or “**Holder**” means a holder of a Bond or Bonds.

“**BPDC**” means Bronx Parking Development Company, LLC.

**“Bureau”** means the City of New York’s Bureau of Labor Services.

**“Business Day”** means any day other than a Saturday or Sunday or a legal holiday on which national banking associations in New York, New York are authorized or delegated, by law, governmental decree or executive order, to be closed.

**“Capital Addition”** means any addition, renovation or improvement to the Stadium which is necessary or desirable.

**“Capital Expenditure”** means, for any period, the amount to be expended for all Capital Improvements required or permitted to be performed by Sublandlord pursuant to the terms of the Stadium Sublease Agreement.

**“Capital Improvement”** means a change, alteration or addition to or replacement of all or any structural component or building or mechanical systems of the Stadium, or any Construction Work in excess of \$1,000,000 (increasing annually on the anniversary of the Commencement Date by a percentage equal to the increase, if any, in the Consumer Price Index above the prior anniversary thereof or on the first anniversary of Substantial Completion, as applicable, above the Commencement Date) other than the initial construction of the Stadium, decorative changes, non-structural minor alterations or a Restoration.

**“Capital Transaction”** means an Assignment, a Transfer or any other transaction which would constitute the functional equivalent of an Assignment or Transfer. “Capital Transaction” does not include a collateral assignment or pledge of stock made solely to secure indebtedness.

**“Casualty”** means the occurrence of any of the following for the period of time, if any, that the performance of a party’s material obligations under the Non-Relocation Agreement are actually, materially, and reasonably delayed or prevented thereby: any fire, civil disturbance, vandalism, or criminal act provided such event is not the result of the intentional act, negligence, or willful misconduct of such party or its agents or contractors claiming the right to delay or excuse performance on account of such occurrence.

**“Casualty Event”** means a fire or other casualty, ordinary or extraordinary, foreseen or unforeseen, which destroys all or any portion of the Stadium.

**“Casualty Restoration”** means if all or any portion of the Improvements are damaged or destroyed by fire or other casualty, ordinary or extraordinary, foreseen or unforeseen, the restoration of the Premises to the condition in which it existed immediately before such casualty as nearly as possible.

**“CCIP”** means the Contractor Controlled Insurance Program.

**“CDO”** has the meaning set forth in the definition of “Institutional Lender.”

**“Certificate”** means the certificate required to be delivered by the Lease Agreement Tenant pursuant to Section 34.01(c) of the Lease Agreement.

**“Certificate of Occupancy”** means the earlier to be issued of a temporary or permanent certificate of occupancy, or its functional equivalent, issued by the City’s Department of Buildings, or other City agency having jurisdiction over the Premises.

**“Certificate of Substantial Completion”** means the certificate of the Architect on AIA Document G704 (or its equivalent) stating that the Stadium has been completed substantially in accordance with the Drawings and Specifications.

**“Change Order”** means any change with respect to the construction and/or equipping of the Stadium under a Major Subcontract prepared on AIA Document G701.

**“City”** or **“New York City”** means (i) The City of New York and (ii) with respect to the Lease Agreement, The City of New York, acting, unless expressly stated to the contrary, in its proprietary capacity.

**“City Council”** means The New York City Council.

**“City Fund”** means the New York City Industrial Development Agency – Yankee Stadium Project City Fund established by Section 5(a)(ii) of the PILOT Assignment.

**“City Parks Department”** or **“Parks Department”** means the New York City Department of Parks and Recreation.

**“City Register”** means the Office of the City Register, Bronx County.

**“Claims”** means any and all claims (whether in tort, contract or otherwise), taxes (of any kind and by whomsoever imposed), demands, liabilities, suits, obligations, fines, damages, penalties, costs, settlements, charges and expenses, including, without limitation, reasonable attorneys’ fees and disbursements, whether incurred in a third party action or in an action to enforce Section 7.1 of the Ground Lease.

**“Closing Date”** means, (i) with respect to the Series 2006 PILOT Bonds, the date of the execution and delivery of the Master PILOT Indenture and the delivery of the Series 2006 PILOT Bonds, (ii) with respect to the Series 2006 Rental Bonds, the date of the execution and delivery of the Master Rental Indenture and the delivery of the Series 2006 Rental Bonds, (iii) with respect to the Series 2009A PILOT Bonds, the date of the execution and delivery of the Supplemental PILOT Indenture pertaining thereto and the delivery of the Series 2009A PILOT Bonds, and (iv) with respect to the Series 2020 PILOT Bonds, the date of the execution and delivery of the Supplemental PILOT Indenture pertaining thereto and the delivery of the Series 2020 PILOT Bonds.

**“CMA”** or **“Original CMA”** means the Construction Management Agreement dated as of February 1, 2005, by and between the Company and the Construction Manager, as amended by Amendment No. 1 to the Original CMA, dated as of February 15, 2008.

**“CMA Amendment”** means Amendment No. 1 to the Original CMA, dated as of February 15, 2008, by and between the Company and the Construction Manager.

**“Code”** means the Internal Revenue Code of 1986, as amended, including the regulations thereunder.

**“Commence Construction of the Stadium Project”** and **“Commencement of Construction of the Stadium Project”** or similar terms means the date on which the Lease Agreement Tenant shall commence driving of piles or foundation work on the Land.

**“Commencement Date”** means August 22, 2006.

**“Commencement of Construction of the Stadium Project”** or **“Commence Construction of the Stadium Project”** or similar terms means the date on which the Lease Agreement Tenant shall commence driving of piles or foundation work on the Land.

**“Commissioner”** means the Commissioner of the NYSDTF.

**“Commissioner of Baseball”** means the Commissioner of Baseball as elected under the Major League Constitution or, in the absence of a Commissioner of Baseball, the Executive Council or any Person or other body succeeding to the powers and duties of the Commissioner of Baseball pursuant to the Major League Constitution.

**“Common Control”** means, after giving effect to a Capital Transaction or Sublease, the Team and the Lease Agreement Tenant, being under the control of the same Person(s), directly or indirectly.

**“Common Ownership”** means more than fifty percent (50%) of the Equity Interests in each of the Lease Agreement Tenant and Team are owned by the same Person(s), directly or indirectly, after giving effect to the Capital Transaction or Sublease.

**“Company”** means Yankee Stadium LLC, a limited liability company organized and existing under the laws of the State of Delaware.

**“Company Assignment”** means the Company Assignment Agreement between the Company and Stadium Holdco, dated as of June 4, 2020.

**“Company Indemnitees”** means the Company and the Partnership and their respective members, managers, partners, officers, directors, employees, agents and servants.

**“Completion”** means that (i) the Stadium is complete in all material respects and available for the Intended Purpose and any unfinished work can be completed without any material disruption to or unavailability or inaccessibility of the Stadium for the Intended Purpose; (ii) all applicable Governmental Authorities have issued all required permits and approvals for use and occupancy of the Stadium in all material respects for the Intended Purpose, including any temporary permits so long as it is reasonably likely that permanent permits and approvals will be granted in the ordinary course and in the ordinary course permanent permits and approvals are normally granted following the issuance of temporary permits, without material additional requirements; (iii) the Construction Monitor has delivered to the Agency, the Company and the Bond Trustee its certification to the effect set forth in (i) and (ii) above; provided, however, that in making such certification the Construction Monitor shall be entitled to rely on a certificate of the Architect that the Stadium is available for the staging of Major League Baseball (MLB) games, including home games of the Team, in a manner that does not violate applicable MLB Rules and Regulations, as set forth in clause (i) of the defined term Intended Purpose herein; and (iv) the Bond Documents required to be recorded have been recorded pursuant to the Master PILOT Indenture and the Master Rental Indenture.

**“Completion Certificate”** means the certificate delivered to the Bond Trustee signed by the Company and the Construction Monitor to evidence Completion of the Project, by addressing the matters set forth in the definition of “Completion.”

**“Completion Costs”** means the aggregate amount of Project Costs that will be required to be paid in order to achieve Completion.

**“Completion Date”** means the date on which Completion occurs.

**“Completion PILOT Bonds”** means the Additional PILOT Bonds issued pursuant to the PILOT Indenture to provide the funds necessary to complete the Project.

**“Completion Rental Bonds”** means the Additional Rental Bonds issued pursuant to the Rental Indenture to provide the funds necessary to complete the Project.

**“Comptroller”** means the Comptroller of the City of New York, or his or her designee.

**“Concessionaire”** means a Person that has been granted the right by Tenant, an Affiliate of Tenant or any tenant, subtenant, leaseholder or subleaseholder of Tenant or of an Affiliate of Tenant to operate at the Facility for the primary purpose of selling goods or services to natural persons at the Facility.

**“Concession Facilities”** means any and all facilities and areas at the Premises, including, but not limited to, stands, kiosks, public and private clubs, bars and restaurants and ancillary closets and storage facilities, that are used for the storage, preparation, display, distribution and sale of food, beverages, souvenirs, scorecards, programs, publications, merchandise, apparel, internet service and services relating to other technology now existing or hereafter developed and/or other goods and services.

**“Condemnation Restoration”** means, if there shall be a Taking, the restoration of the Premises to the condition in which it existed immediately before the Taking as nearly as possible.

**“Consent of Surety to Final Payment”** means the consent to the final disbursement of bond proceeds given by the sureties which issued any Payment and Performance Bonds.

**“Construction Agreements”** means agreements for Construction Work, including without limitation Subcontracts, a Construction Management Agreement and any agreement with the Construction Monitor.

**“Construction Cost Breakdown”** means the breakdown of the Construction Costs by trades.

**“Construction Costs”** means any amounts to be paid by Lease Agreement Tenant, as the agent of Landlord, under the Construction Management Agreement and the Subcontracts for all Construction Work to be performed and all materials to be supplied in connection with the construction and equipping of the Stadium.

**“Construction Management Agreement”** means any agreement to be entered into between Lease Agreement Tenant and a Construction Manager with respect to the construction and equipping of the Stadium, together with any and all amendments and modifications thereof approved by the Construction Monitor and any such agreement for Construction Work in connection with a Restoration, Capital Improvement or other post Construction Work, performed after the initial construction of the Stadium.

**“Construction Manager”** means Turner Construction Company or another construction manager having experience in major construction projects retained by Lease Agreement Tenant and approved by the Lease Agreement Landlord, such approval not to be unreasonably withheld, delayed or conditioned.

**“Construction Monitor”** means Tishman Speyer Development LLC or another firm retained by the Company and approved by the Lease Administrator (which approval shall not be unreasonably withheld, delayed or conditioned) at the Company’s sole cost and expense, for the purpose of reviewing the Contract Documents, making inspections of the Stadium during the Construction Period and issuing

quarterly reports to Lease Administrator that (a) detail the Construction Work completed to date, (b) review and concur on all requisitions for disbursement of bond proceeds, (c) provide an analysis of the adequacy of the sources of funds to complete the Project and (d) analyze and concur on all proposed Change Orders.

**“Construction Period”** means the period beginning on the Commencement Date and ending on the Substantial Completion Date.

**“Construction Progress Certificate”** means a certificate delivered on January 2nd of any year by the Construction Monitor, at its election, to the Bond Trustee and the Agency, with a copy to the Bond Insurer and Nationally Recognized Bond Counsel, setting forth (1) the date in such year by which Completion of the Stadium is expected; (2) the aggregate amount of Project Costs paid to date; and (3) the aggregate amount of Project Costs that will be required to be paid in order to achieve Completion.

**“Construction Progress Schedule”** means the schedule with respect to the construction and equipping of the Stadium prepared by the Construction Manager.

**“Construction Work”** means the following construction performed by or on behalf of Lease Agreement Tenant, as agent of Lease Agreement Landlord, with respect to the Stadium Project: the initial construction, any Restoration and any Capital Improvement.

**“Contract Documents”** means the Architect’s Agreement, the Plans and Specifications, the Major Subcontracts and the Construction Management Agreement.

**“Contractor”** means any Person performing Construction Work under a Construction Agreement.

**“Control”** (i) solely for purposes of Sections 17.01(c)(vi), 19.02, 24.01(1) and 33.07(a) of the Lease Agreement, a Person controls another Person if the Person has (a) a ten percent (10%) or greater ownership interest in that other Person or (b) directs or has the right to direct the daily operations of another Person or (ii) for other purposes of the Lease Agreement, the power to direct or have the right to direct the management or operations of another Person, or (iii) with respect to the Stadium Sublease Agreement, the power to direct or have the right to direct the management or operations of a Person, whether by voting power, contract or otherwise, (iv) or with respect to the Living Wage Agreements, means the power to direct the management and policies of a Person (a) through the ownership, directly or indirectly, of not less than a majority of its voting equity, (b) through the right to designate or elect not less than a majority of the members of its board of directors, board of managers, board of trustees or other governing body, or (c) by contract or otherwise, and (v) with respect to the Sales Tax Authorization Letter, shall mean the power to direct the management and policies of a Person (x) through the ownership, directly or indirectly, of not less than a majority of its voting securities, (y) through the right to designate or elect not less than a majority of the members of its board of directors or trustees or other Governing Body, or (z) by contract or otherwise.

**“Conviction”** means either (x) an Indicted Party is found guilty of the felony for which it is indicted by a court of competent jurisdiction and either the period for appeal of such verdict has expired or such verdict is affirmed by the court having ultimate jurisdiction to hear an appeal for such determination or (y) the Indicted Party pleads guilty to the felony for which it is indicted or another intentional felony or pleads “no contest” to the felony for which it is indicted or another intentional felony.

**“Costs of Issuance”** means the items of expense incurred in connection with the authorization, sale and issuance of a Series of Bonds, which items of expense may include, but are not limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee or Securities Depository, legal fees and charges, professional consultants’ fees, underwriting fees, fees and charges for execution, transportation and safekeeping of Bonds, premiums, fees and charges in order to obtain insurance for Bonds, obtain, renew or extend Enhancement Facilities, Reserve Account Credit Facilities, Qualified Swaps and other similar financial arrangements, costs and expenses of refunding such Bonds and other costs, charges and fees, in connection with the foregoing.

**“Covered Counterparty”** means a Covered Employer whose Specified Contract is directly with Tenant or one of its Affiliates to lease, occupy, operate or perform work at the Facility.

**“Covered Employer”** means any of the following Persons: (a) the Company, (b) a Site Affiliate, (c) a tenant, subtenant, leaseholder or subleaseholder of the Company or of an Affiliate of the Company that leases any portion of the Facility (or an Affiliate of any such tenant, subtenant, leaseholder or subleaseholder if such Affiliate has one or more direct Site Employees), (d) a Concessionaire that operates on any portion of the Facility, and (e) a Person that contracts or subcontracts with any Covered Employer described in clauses (a), (b), (c) or (d) above to perform work for a period of more than ninety days on any portion of the Facility, including temporary services or staffing agencies, food service contractors, and other on-site service contractors; provided, however, that the term “Covered Employer” shall not include (i) a Person of the type described in Section 6-134(d)(2), (3), (4), (5), (6) or (7) of the New York City Administrative Code, (ii) a Person that has annual consolidated gross revenues that are less than the Small Business Cap unless the revenues of the Person are included in the consolidated gross revenues of a Person having annual consolidated gross revenues that are more than the Small Business Cap, in each case calculated based on the fiscal year preceding the fiscal year in which the determination is being made, and in each case calculated in accordance with generally accepted accounting principles, (iii) any otherwise covered Person operating on any portion of the Facility if residential units comprise more than 75% of the total Facility area and all of the residential units are subject to rent regulation, (iv) any otherwise covered Person that Landlord has determined (in its sole and absolute discretion) in writing to be exempt on the basis that it works significantly with a Qualified Workforce Program, (v) a Person whose Site Employees all are paid wages determined pursuant to a collective bargaining or labor agreement, (vi) if the Company is a “covered developer” under and as defined in the Prevailing Wage Law, a Person that is a “building services contractor” (as defined in the LW Law) so long as such Person is paying its “building service employees” (as defined in the Prevailing Wage Law) no less than the applicable “prevailing wage” (as defined in the Prevailing Wage Law), or (vii) a Person exempted by a Deputy Mayor of The City of New York in accordance with the Mayor’s Executive Order No. 7 dated September 30, 2014.

**“CPI Bonds”** or **“Muni-CPI Bonds”** means the Series 2006 PILOT Bonds maturing on March 1, 2016 through and including March 1, 2027.

**“Credit Facility Reimbursement Obligation”** has the meaning provided in subsection (d) of Section 3.12 of the Master PILOT Indenture and subsection (d) of Section 3.12 of the Master Rental Indenture, as the case may be.

**“Date of Taking”** means the date on which title to the whole or any part of the Premises shall have vested in any lawful power or authority pursuant to the provisions of applicable federal, state, or local condemnation law or the date on which the right to the temporary use of the same has so vested in any lawful power or authority as aforesaid.

**“DBRS”** means DBRS, Inc.

**“DCA”** means the Department of Consumer Affairs of the City of New York, acting as the designee of the Mayor of the City of New York, or such other agency or designee that the Mayor of the City of New York may designate from time to time.

**“Debt Service”** means, for any applicable period, (i) the aggregate payments made or required to be made in respect of the principal of, and premium, if any, and interest on the Bonds and the Bond Fees, if any; provided, however, that for the purposes of any such calculation, (a) interest on any Variable Rate Bonds shall be calculated in accordance with the provisions of any Supplemental Indenture authorizing the issuance of such Bonds, and (b) any Bond in respect of which the Company has entered into a Qualified Swap shall during the period for which such Qualified Swap is in effect be deemed to bear interest at the rate or rates specified in the applicable swap agreement subject to the provisions set forth in a Supplemental Indenture authorizing such Qualified Swaps; and (ii) the aggregate payments to be made in respect of any Parity Debt.

**“Debt Service and Reimbursement Fund”** means the New York City Industrial Development Agency – Yankee Stadium Project Debt Service and Reimbursement Fund established by Section 5(a)(i) of the PILOT Assignment.

**“Debt Service on PILOT Bonds Subordinated Indebtedness”** means, for any applicable period, (i) the aggregate payments made or required to be made in respect of the principal of, and premium, if any, and interest or other payments on PILOT Bonds Subordinated Indebtedness; provided, however, that for the purposes of any such calculation, (a) interest on any variable rate PILOT Bonds Subordinated Indebtedness shall be calculated in accordance with the provisions of any Supplemental PILOT Indenture authorizing the issuance of such PILOT Bonds Subordinated Indebtedness, and (b) any PILOT Bonds Subordinated Indebtedness in respect of which the Company has entered into a Qualified Swap shall during the period for which such Qualified Swap is in effect be deemed to bear interest at the rate or rates specified in the applicable swap agreement subject to the provisions set forth in a Supplemental PILOT Indenture authorizing such Qualified Swaps; and (ii) the aggregate payments to be made in respect of any PILOT Bonds Subordinated Obligation.

**“Debtor”** means, with respect to the Leasehold Rental Mortgage, the Company and the Agency, as debtor.

**“Default”** means (i) with respect to the Lease Agreement, any condition or event, or failure of any condition or event to occur, which constitutes or would, after notice or the lapse of time, or both, constitute an Event of Default under the Lease Agreement; (ii) with respect to the Ground Lease, a default by the Agency thereunder; (iii) with respect to the PILOT Mortgages, the failure to pay any of the PILOT Obligations as set forth in the PILOT Agreement or any interest or late payment charges, as specified in the PILOT Agreement as, and when, payment of such PILOT Obligations, interest or late payment charges thereon, are due; and (iv) with respect to the Rental Mortgage, the failure to pay any of the Obligations as, and when, payment of such Obligations, interest or late payment charges thereon, are due.

**“Defeasance Security”** means:

- (i) cash;
- (ii) a Qualified Investment specified in Part I, clauses (i), (ii), (iii) or (v) of the definition thereof, which is not callable or redeemable at the option of the issuer thereof;



(iii) a Qualified Investment specified in Part I, clause (iv) of the definition thereof (a “**Municipal Bond**”), which Municipal Bond is fully secured as to principal and interest by an irrevocable pledge of moneys or direct and general obligations of, or obligations guaranteed by, the United States of America, which moneys or obligations are segregated in trust and pledged for the benefit of the holder of the Municipal Bond, and which Municipal Bond is rated in the highest Rating Category by at least two Rating Agencies and provided, however, that such Municipal Bond is accompanied by a Counsel’s Opinion to the effect that such Municipal Bond is not subject to redemption prior to the date the proceeds of such Municipal Bond will be required for the purposes of the investment being made therein;

(iv) any other investment designated in a Supplemental Indenture as a Defeasance Security for purposes of defeasing the Bonds authorized by such Supplemental Indenture, provided that each Rating Agency has confirmed in writing to the Bond Trustee that the use of such other investment will not, by itself, result in the withdrawal, suspension or downgrade of any rating issued by such Rating Agency with respect to any such Bonds to be defeased; or

(v) solely with respect to the defeasance of any Series 2009A PILOT Bond and any Series 2020 PILOT Bond, a Qualified Investment specified in Part II, clause (i) of the definition thereof.

“**Determination of Taxability**” means (i) the receipt by the Agency, the Bond Trustee or any PILOT Bondholder, after proceedings for which the Agency had notice and an opportunity to participate in, of a final determination from the Internal Revenue Service or a court of proper jurisdiction to the effect that an Event of Taxability has occurred, or (ii) the receipt by any PILOT Bondholder of an opinion of Nationally-Recognized Bond Counsel to the effect that an Event of Taxability has occurred.

“**Director**” means a Director of the Bureau.

“**DOF**” means the City’s Department of Finance.

“**DPR**” means the New York City Department of Parks and Recreation, or its successor-in-function.

“**Drawings and Specifications**” means the Plans and Specifications.

“**DTC**” shall mean The Depository Trust Company, New York, New York, or its successors.

“**EDC**” or “**NYCEDC**” means the New York City Economic Development Corporation, a not-for-profit local development corporation pursuant to Section 1411 of the New York Not-for-Profit Corporation Law and any successor thereof.

“**Effective Date**” means (i) with respect to the PILOT Agreement, the first taxable status date following the filing by the Agency of application for exemption with the City Assessor pursuant to Section 4(a) of the Ground Lease and (ii) with respect to the Ground Lease, August 22, 2006.

“**Eligible Materials**” means all construction materials, machinery, equipment, and other tangible personal property, in each case incorporated into and becoming a part of the Premises in connection with the initial construction of the Stadium Project, and all Capital Improvements constructed on and all tangible personal property installed in or affixed to the Premises at any time during the Initial Term of Lease, and all machinery, equipment and tools purchased or leased for the maintenance and repair of the Premises at any time during the Term of Lease and located and used exclusively at the Premises (but excluding supplies, inventory and other consumable materials) in each case acquired through purchase or lease by the Company as agent of Landlord, pursuant to the Lease Agreement or the Sales Tax Agent

Authorization Letter in connection with the Stadium Project or Capital Improvement or machinery or equipment fixture installation or maintenance or repair.

**“Eligibility Requirements”** has the meaning set forth in the definition of “Institutional Lender.”

**“Enabling Act”** means the New York State Industrial Development Agency Act (constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York), as amended.

**“Enhancement Facility”** means any letter of credit, standby purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any other agreement, securing, providing liquidity for, supporting or enhancing Outstanding Bonds, or any combination of the foregoing, or any agreement relating to the reimbursement thereof whether or not such instrument or agreement has been drawn upon, obtained by the Agency.

**“Enhancement Facility Provider”** means an issuer of an Enhancement Facility.

**“Equipment”** means all fixtures and equipment incorporated in, or permanently attached to, the Stadium and shall include, but shall not be limited to, all machinery, apparatus, devices, motors, engines, dynamos, compressors, pumps, boilers and burners, heating, lighting, plumbing, ventilating, air cooling and air conditioning equipment; chutes, ducts, pipes, tanks, fittings, conduits and wiring; incinerating equipment; elevators, escalators and hoists; doors, hardware; floor, wall and ceiling coverings; wash room, toilet and lavatory equipment; lockers; signage; scoreboards; windows, window washing hoists and equipment; communication equipment; and all additions or replacements thereof, in each case as incorporated into, or permanently attached to, the Stadium by Lease Agreement Tenant, as agent of the Lease Agreement Landlord, pursuant to the Plans and Specifications or otherwise incorporated in or permanently attached to the Stadium in accordance with the terms of the Lease Agreement, but excluding, however, from the definition of “Equipment” any other personalty or trade fixtures not incorporated into or permanently attached to the Premises.

**“Equity Interest”** means with respect to any entity, (A) the beneficial ownership of (1) outstanding stock, or the right to buy outstanding stock, of such entity if such entity is a corporation, a real estate investment trust or a similar entity, a capital, profits, membership, or partnership interest in such entity, (2) the right to buy such an interest, if such entity is a limited liability company, partnership or joint venture or (3) interest in a trust, or the right to buy such an interest, if such entity is a trust, or (B) any other beneficial interest that is the functional equivalent of any of the foregoing.

**“ERISA”** means the Employees Retirement Income Security Act of 1974, as amended.

**“ESDC”** means the New York State Urban Development Corporation, doing business as Empire State Development Corporation, a public instrumentality of the State of New York.

**“Estimated”** refers to a Bond Year Requirement as described in clause (ii) of the definition of such term.

**“Event of Default”** means (i) with respect to the Lease Agreement, the occurrence of any of the events listed in Section 24.01 of the Lease Agreement, (ii) with respect to the Stadium Sublease Agreement, the occurrence of any of the events listed in Section 14.01 of the Stadium Sublease Agreement, (iii) with respect to the Rental Mortgage, the occurrence of any of the events listed in Section 13 of the Rental Mortgage, (iv) with respect to the Master PILOT Indenture, the occurrence of any of the

events listed in Section 8.01 of the Master PILOT Indenture, and (v) with respect to the Master Rental Indenture, the occurrence of any of the events listed in Section 8.01 of the Master Rental Indenture.

**“Event of Default Notice”** means written notice by Sublandlord to Subtenant of the occurrence of an Event of Default under the Stadium Sublease Agreement.

**“Event of Taxability”** means the interest paid or payable on any PILOT Bond being includable for federal income tax purposes in the gross income of any Holder thereof as a consequence of any act, omission or event whatsoever, including any change of law, and regardless of whether the same was within or beyond the control of the Agency.

**“Evidence of Completion”** means (a) the Certificate of Substantial Completion, (b) a Certificate of Occupancy for the completed Stadium, (c) a satisfactory completion survey, (d) a complete set of the “as built” Drawings and Specifications, (e) the policies (or certificates) of insurance required by the Lease Agreement converting the property insurance coverage from the so-called “builder’s risk” form to the standard “all-risk” or “extended coverage” form, and (f) the Consent of Surety to Final Payment.

**“Excess Proceeds”** means any Ticket Sale and Suite License Proceeds in excess of Annual Rent for a particular Lease Year.

**“Executive Council”** means the Major League Executive Council that is governed by the Major League Constitution, and any successor body thereto.

**“Executive Officer”** means, solely for Sections 17.01(c)(vi), 19.02, 24.01(l) and 33.07(a) of the Lease Agreement, (i) any individual who serves as chief executive officer, chief financial officer, or chief operating officer of Lease Agreement Tenant, by whatever titles known, and all other executive officers of Lease Agreement Tenant; and (ii) in the case of a limited liability company, the managing member of such company; and (iii) in the case of a partnership, the general partners and partners able to bind such partnership.

**“Existing Assignment”** or **“Existing Partial Rent Assignment”** means the Amended and Restated Partial Rent Assignment, dated as of February 1, 2009, by and among the Agency, the Trustee and the Company, which was recorded in the City Register on March 5, 2009, as CRFN 2009000064546.

**“Existing Mortgage”** means the Original Rental Mortgage, as assigned by the Rental Mortgage Assignment and as modified by the Modification of Leasehold Rental Mortgage.

**“Existing Partial Rent Assignment”** or **“Existing Assignment”** means the Amended and Restated Partial Rent Assignment, dated as of February 1, 2009, by and among the Agency, the Trustee and the Company, which was recorded in the City Register on March 5, 2009, as CRFN 2009000064546.

**“Existing Recognition Agreement”** or **“Amended and Restated Recognition, Non-Disturbance and Attornment Agreement”** means the Amended and Restated Recognition, Non-Disturbance and Attornment Agreement between the City and the Company, dated as of February 1, 2009, which was recorded in the City Register on March 5, 2009 as CRFN 2009000064498.

**“Existing Rental Payments”** mean the obligation of the Company to make rental payments under Article 3 of the Existing Lease.

**“Existing Rental Mortgage”** means the Original Rental Mortgage, as assigned by the Rental Mortgage Assignment and modified by the Modification of Leasehold Rental Mortgage.

**“Existing Rental Mortgage Modification”** or **“Second Modification of Leasehold Rental Mortgage”** means the Second Modification of Leasehold Rental Mortgage, dated as of July 1, 2009, among the Company, the Issuer and the Rental Bond Trustee, which was recorded in the City Register.

**“Existing SNDA”** means the Amended and Restated Subordination, Non-Disturbance and Attornment Agreement (Rental Mortgage) between the Rental Trustee and the Partnership, dated as of February 1, 2009, which was recorded in the City Register on March 5, 2009, as CRFN 2009000064547.

**“Existing Stadium”** means the stadium which was being used by the Team on or about the Commencement Date to play its Team Home Games, located at 161st Street and River Avenue, Bronx, New York.

**“Existing Stadium Lease”** means the Original Stadium Lease, as amended by the First Stadium Lease Amendment, as further amended by the Second Stadium Lease Amendment.

**“Existing Subordination and Recognition Agreement”** or **“Second Amended and Restated Mortgage Subordination, Standstill and Recognition Agreement”** means the Second Amended and Restated Mortgage Subordination, Standstill and Recognition Agreement, dated as of July 1, 2009, between the PILOT Trustee and the Rental Bond Trustee, recorded in the City Register.

**“Expiration Date”** means (i) with respect to the Stadium Sublease Agreement the later of (A) the Fixed Expiration Date or (B) if the Fixed Expiration Date occurs during the Baseball Season, the eighty-ninth (89th) day following the end of the Baseball Season in which the Fixed Expiration Date occurs (subject to extension or sooner termination pursuant to the provisions of the Stadium Sublease Agreement) and (ii) with respect to the Lease Agreement, (A) the Fixed Expiration Date or (B) such earlier date upon which the Lease Agreement may be terminated as provided in such Lease Agreement.

**“Extended Term”** means any extended term of the Lease Agreement for a period after the expiration of the Initial Term effectuated in accordance with Section 2.02 of the Lease Agreement.

**“Facility”** means (i) the Improvements and the Land and (ii) with respect to the Rental Mortgage, the Land and the Stadium.

**“Fair Market Rental Value”** has the meaning assigned to such term in Section 3.03 of the Lease Agreement.

**“Family Member”** means a parent, son, daughter, son-in-law, daughter-in-law, grandchild, grandparent, or sibling, or a descendent of any of the foregoing, including any children or grandchildren by adoption, and shall include a trust made exclusively for the benefit of one or more of the foregoing.

**“Federal Courts”** means the court of the United States.

**“Fee Mortgage”** means a mortgage or a security interest or other lien or encumbrance on the City’s fee interest in the Land.

**“Fee Owner”** means the City, or any successor in interest in fee title to the Land.

**“FGIC”** means Financial Guaranty Insurance Company, a New York stock insurance corporation.

**“Fiduciary”** or **“Fiduciaries”** means the Trustee, any Co-Trustee, any Registrar, any Paying Agent, or any or all of them, as may be appropriate.

**“First Amendment to Assignment of Ticket Sale and Suite License Proceeds”** means the First Amendment to Assignment of Ticket Sale and Suite License Proceeds, dated as of March 6, 2009, between the Company and the Partnership.

**“First Amendment to Lease Agreement”** or **“First Stadium Lease Amendment”** means the First Amendment to Lease Agreement, dated as of February 1, 2009, between the Agency and the Company.

**“First Amendment to Non-Relocation Agreement”** means the First Amendment to Non-Relocation Agreement, dated as of February 1, 2009, by and among the City, ESDC, the Agency and the Partnership.

**“First Amendment to Stadium Sublease Agreement”** means the First Amendment to Stadium Sublease Agreement, dated as of February 1, 2009, between the Company and the Partnership.

**“First Mortgage Modification”** or **“Modification of Leasehold Rental Mortgage”** means the Modification of Leasehold Rental Mortgage, dated as of February 1, 2009, among the Company, the Agency and the Rental Bond Trustee, which was recorded in the City Register on March 5, 2009, as CRFN 2009000064544.

**“First Stadium Lease Amendment”** or **“First Amendment to Lease Agreement”** means the First Amendment to Lease Agreement, dated as of February 1, 2009, between the Agency and the Company.

**“Fitch”** means Fitch, Inc.

**“Fixed Expiration Date”** means (i) with respect to the Lease Agreement (i) the later of (A) the forty-third (43rd) anniversary of the Commencement Date, and (B) if such forty-third (43rd) anniversary occurs during the Baseball Season, the eighty-ninth (89th) day following the end of the Baseball Season during which the forty-third (43rd) anniversary of the Commencement Date occurs, and (ii) with respect to the Stadium Sublease Agreement, the day immediately prior to the forty-third (43rd) anniversary of the Commencement Date.

**“Fixed Rate Bonds”** means Bonds which bear interest at a fixed rate to the date of maturity.

**“Fixtures”** means all fixtures, equipment, machinery, apparatus, appliances, fittings and 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 incorporated in, or attached to, the Land and/or the Stadium and owned by the Agency or in which the Agency has or shall have an interest and all renewals and replacements thereof and additions and accessions thereto, including, without limitation, all partitions, elevators, lifts, heating, lighting, incinerating and power equipment, engines, pipes, pumps, tanks, motors, conduits, switchboards, plumbing, lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating and communications apparatus, exhaust and heater fans, air-cooling and air-conditioning apparatus, elevators, escalators, shades, awnings, screens, storm doors and windows, stoves, refrigerators, attached cabinets, partitions, ducts and compressors (which machinery, apparatus, equipment, fittings, fixtures and articles of personal property, all replacements thereof, substitutions therefor and additions and accessions thereto and the proceeds thereof).

**“Foreclosure Notice”** means, subject to the terms and condition of the PILOT Mortgages, written notice of (A) the failure to pay any of the PILOT Obligations, interest or late payment charges thereon, as and when such PILOT Obligations, interest or late payment charges thereon, were due, and (B) the intent of the Mortgagee to exercise its rights and remedies under the Leasehold PILOT Mortgage unless such failure is cured within ten (10) weeks after the date of such notice.

**“Form ST-123”** means NYSDTF Form ST-123 “IDA Agent or Project Operator Exempt Purchase Certificate” or such additional or substitute form as is adopted by NYSDTF for use in completing purchases that are exempt from Sales and Use Taxes with respect to industrial development agency transactions.

**“Form ST-340”** means NYSDTF Form ST-340 “Annual Report of Sales and Use Tax Exemptions Claimed by Project Operator of Industrial Development Agency/Authority” or such additional or substitute form as is adopted by NYSDTF to report Sales Tax Savings with respect to industrial development agency transactions.

**“Form ST-60”** means NYSDTF Form ST-60 “IDA Appointment of Project Operator or Agent” or such additional or substitute form as is adopted by NYSDTF to report the appointment of project operators or agents with respect to industrial development agency transactions.

**“Franchise”** means the Team franchise.

**“Full Replacement Value”** means an amount equal to the full cost of replacing all Improvements at the Premises, including, without limitation, development fees, but exclusive of the cost of foundations and excavation, to the extent that such costs are covered under the builder’s risk insurance policy described in the Lease Agreement.

**“Funding Agreement”** means the Funding Agreement, dated as of October 19, 2007, among NYCEDC, ESDC and BPDC.

**“Funds”** means each fund or all of the funds designated, created and established in Section 5.01 of the Master PILOT Indenture and Section 5.01 the Master Rental Indenture, as the case may be.

**“GAAP”** means generally accepted accounting principles.

**“General Municipal Law of the State”** means the General Municipal Law of the State of New York.

**“General Obligations Law of the State”** means the General Obligations Law of the State of New York.

**“General PILOT Bonds Strike Reserve Account Credit Facility”** means a PILOT Bonds Strike Reserve Account Credit Facility pursuant to which payments will be made in respect of all PILOT Bonds and any related Parity Debt that is secured by the PILOT Bonds Strike Reserve Account. Upon the issuance of the Series 2020 PILOT Bonds and while any Series 2006 PILOT Bond and any Series 2009A PILOT Bonds remain Outstanding and no additional Series of Additional PILOT Bonds secured by the PILOT Bonds Strike Reserve Account has been issued, the AGMC PILOT Bonds Strike Reserve Account Policy shall be regarded as a General PILOT Bonds Strike Reserve Account Credit Facility.

**“GMP”** means a guaranteed maximum price agreement between the Partnership and Turner Construction Company.

**“Government Obligations”** means direct and general obligations of, or obligations unconditionally guaranteed by, the United States of America.

**“Governmental Authority”** means the United States of America, the State of New York, the City and any agency, department, legislative body, commission, board, bureau, instrumentality or political subdivision of any of the foregoing, now existing or hereafter created, having jurisdiction over the Premises or any portion thereof or any street, road, avenue, sidewalk or water immediately adjacent to the Premises, or any vault in or under the Premises or over the design, development, acquisition, construction, equipping, ownership, use, operation, maintenance, repair, rebuilding and/or leasing of the Stadium.

**“Ground Lease”** means the Ground Lease Agreement, dated as of August 1, 2006, between the City, as Landlord and the Agency, as Tenant, which was recorded in the City Register on February 5, 2007 as CRFN 2007000067631.

**“Guidelines”** means the “Memorandum re: Ownership Transfers – Amended and Restated Guidelines & Procedures” issued by the Commissioner of Baseball on February 6, 2018, as the same may be amended, supplemented or otherwise modified from time to time.

**“Hazardous Materials”** means (i) any “hazardous waste” as defined under the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., or (ii) “hazardous substance” as defined under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq., or (iii) “hazardous materials” as defined under the Hazardous Materials Transportation Act, 49 U.S.C. Section 1501 et seq., or (iv) “hazardous waste” as defined under New York Environmental Conservation Law Section 27-0901 et seq., or (v) “hazardous substance” as defined under the Clean Water Act, 33 U.S.C. Section 1321 et seq.

**“Hazardous Materials Claims”** means (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any applicable Hazardous Materials Laws, (ii) all claims made or threatened in writing by any third party against Lease Agreement Tenant or the Premises relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials.

**“Hazardous Materials Laws”** has the meaning assigned to such term in the definition of “Requirements” herein.

**“Hearing”** means a hearing before the Hearing Officers.

**“Hearing Officers”** means a panel of three persons consisting of (i) the City’s Deputy Mayor for Finance and Economic Development (or a successor in function designated by the City’s Mayor), (ii) the President of EDC (or a successor in function designated by the City’s Mayor), and (iii) the Corporation Counsel of the City, or the respective duly authorized designees of any of them, or such substitute persons as the City’s Mayor may designate.

**“Holder”** or **“Bondholder”** means a holder of a Bond or Bonds.

**“Holder of Parity Debt”** means a holder of Parity Debt.

**“Holdings”** or **“Stadium Holdco”** means Yankee Stadium Holdings LLC.

“**Home Stand**” means a series of successive games played by the Team at the Stadium against a Major League Baseball Club.

“**IDA**” means the Agency, but not any successor to its interest as the holder of Landlord’s interest under the Lease Agreement.

“**Impositions**” means the following governmental exactions of general applicability or of general applicability to Persons or property or to classes of Persons or property within the City similarly situated to Lease Agreement Tenant (but excluding Taxes) such that the Imposition, if imposed by the City, is not invidious and discriminatory against Lease Agreement Tenant or so narrowly drawn as to apply only to professional sports stadiums of comparable seating capacity situated on public property:

- (i) real property special assessments (including, without limitation, any special assessments for or imposed by any business improvement district or by any special assessment district);
- (ii) personal property taxes,
- (iii) water, water meter and sewer rents, rates and charges,
- (iv) excise taxes, license and permit fees, excluding sales and compensating use taxes for which exemption is available pursuant to Section 38.21 of the Lease Agreement,
- (v) except for Taxes, and unless in lieu of Taxes, any other governmental fees, rents, assessments or taxes and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, now or hereafter enacted, of any kind whatsoever, and
- (vi) any fines, penalties and other similar governmental charges applicable to the foregoing, together with any interest or costs with respect to the foregoing, excluding therefrom any such fines, penalties or charges which may be imposed solely as a result of Landlord’s acts or omissions in its proprietary capacity only.

Impositions shall not include mortgage recording tax on mortgages authorized by the Agency in connection with the Project.

“**Improvements**” means (i) for purposes of the Lease Agreement, the Stadium and any and all structures or other improvements and Equipment and appurtenances of every kind and description now existing on the Land or hereafter erected, constructed, or placed upon the Land or any portion thereof, including, but not limited to, landscaping and any and all alterations thereto, replacements thereof, and substitutions therefor but excluding any trade fixtures and personalty not permanently incorporated into or attached to the Premises, and (ii) for purposes of the Stadium Sublease Agreement, the baseball stadium to be constructed by Sublandlord on the Land pursuant to the Lease Agreement (including all Capital Improvements made pursuant to the Stadium Sublease Agreement), and all fixtures and equipment attached thereto and made a part thereof.

“**Increased Annual PILOT Revenues**” means the amount of PILOTs payable in any Bond Year as set forth in Exhibit A to the Amended PILOT Agreement.

“**Increased Rental Revenues**” means the amount of Rent payable in any Bond Year as set forth in Exhibit A to the Amended Stadium Sublease Agreement.



**“Indemnitees”** means (i) with respect to the Lease Agreement, the Landlord, the City and EDC, and their respective directors, trustees, officials, members, officers, employees, agents and servants and (ii) with respect to the Stadium Sublease Agreement, the Sublandlord, the Lease Agreement Landlord, the City, the Lease Administrator and their respective directors, trustees, officials, members, officers, employees, agents and servants.

**“Independent Accountant”** means an independent certified public accountant or firm of independent certified public accountants selected by the Company and approved by the Agency (such approval not to be unreasonably withheld or delayed).

**“Indicted Party”** means an indictment by any grand jury impaneled by any federal or state court charging Lease Agreement Tenant or any Principal of Lease Agreement Tenant with having committed an intentional felony in connection with the Premises, construction or operations thereon, or any other matter.

**“Information Services”** means the national information services that disseminate securities redemption notices or provide information with respect to called bonds, or any other such services as the Agency may designate in writing to the Bond Trustee and the Registrar. Such Information Services include, as of the Commencement Date: Financial Information, Inc. “Daily Called Bond Service”, 30 Montgomery Street, 10th Floor, Jersey City, New Jersey, 07302, Attention: Editor; Kenny Information Services, “Called Bond Service”, 65 Broadway, 16th Floor, New York, New York 10004; Mergent, 60 Madison Avenue, 6th Floor, New York, New York 10010, Attention: Municipal News Reports; and Standard and Poor’s Ratings Group “Called Bond Record,” 55 Water Street, New York, New York 10004.

**“Initial Mortgage Termination Date”** means the date (if any) that the Initial Mortgages no longer encumber the Premises.

**“Initial Mortgages”** means, collectively, the PILOT Mortgages and the Rental Mortgage.

**“Initial PILOT Bonds”** means the PILOT Bonds issued at the time of execution and delivery of the Master PILOT Indenture.

**“Initial PILOT Certificate”** means a certificate setting forth the Bond Year Requirement for the Bond Year that begins during the current PILOT Year, which shall be delivered by the Bond Trustee to the PILOT Trustee no later than January 16th of such PILOT Year.

**“Initial PILOTs Coverage Percentage”** means 110.8%, which is equal to the smallest percentage determined by dividing (i) PILOT Receipts projected for any PILOT Year (as set forth on Exhibit A to the PILOT Agreement at the time of issuance of the Series 2006 PILOT Bonds), by (ii) Annual Net Debt Service payable with respect to the Series 2006 PILOT Bonds in the Bond Year that commences during such PILOT Year; provided, however, that for purposes of calculating the Initial PILOTs Coverage Percentage, Bond Years during which interest has been capitalized in whole or in part, and the PILOT Years during which such Bond Years begin, shall be disregarded.

**“Initial Rental Bonds”** means the Rental Bonds issued at the time of execution and delivery of the Master Rental Indenture.

**“Initial Term”** means the term commencing on the Commencement Date, and terminating on the sooner to occur of (i) the Fixed Expiration Date or (ii) the Expiration Date.

**“Institutional Lender”** means any (A) savings bank, a savings and loan association, a commercial bank or trust company (whether acting individually or in a fiduciary capacity), investment bank, REIT, an insurance company organized and existing under the laws of the United States or any state thereof, a not-for-profit religious, educational or eleemosynary institution, employee’s welfare, benefit, pension or retirement fund, any governmental agency or entity insured by a governmental agency, a credit union, investment bank or company, trust or endowment fund or any combination of Institutional Lenders; (B) an investment company, money management firm or “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act of 1933, as amended, or an institutional “accredited investor” within the meaning of Regulation D under the Securities Act of 1933, as amended, provided that any such Person referred to in this clause (B) satisfies the Eligibility Requirements; (C) an institution substantially similar to any of the foregoing entities, described in clauses (A) or (B) that satisfies the Eligibility Requirements; (D) any entity controlled by any of the entities described in clauses (A), (B) or (C) above; (E) a Qualified Trustee in connection with a securitization of or the creation of collateralized debt obligations (“**CDO**”) secured by or financing through an “owner trust” of a loan to finance the Stadium Project or a Capital Improvement, (collectively, “**Securitization Vehicles**”), so long as (A) the special servicer or manager of such Securitization Vehicles has the Required Special Servicer Rating and (B) the entire “controlling class” of such Securitization Vehicle, other than with respect to a CDO Securitization Vehicle, is held by one or more entities that are otherwise Institutional Lenders under clauses (A), (B), (C) or (D) of this definition; provided that the operative documents of the related Securitization Vehicle require that (1) in the case of a CDO Securitization Vehicle, the “equity interest” in such Securitization Vehicle is owned by one or more entities that are Institutional Lenders under clauses (A), (B), (C) or (D) of this definition and (2) if any of the relevant trustee, special servicer, manager fails to meet the requirements of this clause (F), such Person must be replaced by a Person meeting the requirements of this clause (F) within thirty (30) days; or (F) an investment fund, limited liability company, limited partnership or general partnership where an Institutional Lender under clauses (A), (B), (C) or (D) of this definition acts as the general partner, managing member or fund manager and at least 50% of the equity interests in such investment vehicle are owned, directly or indirectly, by one or more entities that are otherwise Institutional Lenders under clauses (A), (B), (C) or (D) of this definition. For the purpose of this definition, “**Eligibility Requirements**” means, with respect to any Person, that such Person (a) is subject to the jurisdiction of the courts of the State in any actions pertaining to or arising in connection with the lease of the Premises or portion thereof and (b) has net assets of not less than one hundred million dollars (\$100,000,000), or such lower amounts as are deemed acceptable in Landlord’s sole reasonable discretion. For the purpose of this definition, “**Qualified Trustee**” means (i) a corporation, national bank, national banking association or a trust company, organized and doing business under the laws of any state or the United States of America, authorized under such laws to exercise corporate trust powers and to accept the trust conferred, and subject to supervision or examination by federal or state regulatory authority, (ii) an institution insured by Federal Deposit Insurance Corporation or (iii) an institution whose long-term senior unsecured debt is rated in either of the then in effect top two rating categories of S&P, Moody’s, Fitch, or any other nationally-recognized securities rating agency; and, in both of cases (i) and (ii), having a combined capital and surplus of at least two hundred fifty million dollars (\$250,000,000). For the purpose of this definition, “**Required Special Servicer Rating**” means (i) a rating of “CSSI” in the case of Fitch, (ii) on the S&P list of approved special servicers in the case of S&P and (iii) in the case of Moody’s, such special servicer is acting as special servicer in a commercial mortgage loan securitization that was rated by Moody’s within the twelve (12) month period prior to the date of determination, and Moody’s has not downgraded or withdrawn the then-current rating on any class of commercial mortgage securities or placed any class of commercial mortgage securities on watch citing the continuation of such special servicer as special servicer of such commercial mortgage securities. Institutional Lenders shall also include any other Person approved by Landlord, such approval not to be unreasonably withheld, which Landlord will provide or deny within ten (10) Business Days of a written request for approval that expressly sets forth the ten (10) Business Day turnaround time set forth

therein; provided that Landlord may condition its approval upon submission of background investigation forms and there being no information revealed as a result of same that such proposed lender is a Prohibited Person. In all of the above cases, any Person shall qualify as an Institutional Lender only if it shall (a) be subject (by law or by consent) to service of process within the State of New York, and (b) have (or its manager or trustee shall have) a net worth of not less than fifty million dollars (\$50,000,000) and net assets of not less than two hundred fifty million dollars (\$250,000,000) (except that (b) shall not apply in the case of a governmental agency and any entity subject to the two hundred fifty million dollars (\$250,000,000) combined capital and surplus test). “**Institutional Lender**” also means any subsidiary of any of the foregoing, and any other trustee or fiduciary for the holders of bonds, notes, commercial paper or other evidence of indebtedness approved by Landlord, which approval shall not be unreasonably withheld, provided that Landlord may condition its approval upon submission of background investigation forms and there being no information revealed as a result of same that such proposed lender is a Prohibited Person.

“**Insured Persons**” means all Persons required to be insured by each insurance policy under the Lease Agreement.

“**Insured Swap Payments**” means any Regularly Scheduled Swap Payments and/or Swap Termination Payments which are insured by Swap Insurance.

“**Intended Purpose**” means (i) the staging of MLB games, including home games of the Team, in a manner that does not violate applicable MLB Rules and Regulations; (ii) capacity at MLB games in excess of 50,000 seats and approximately 1,875 standees for a total capacity between approximately 52,000 and 53,000 individuals, including luxury suites; and (iii) fully equipped and operational food and beverage facilities and other concessions and catering services to serve the suites, club seats and other ticket holders at MLB games in the usual course of business assuming in each case that the MLB game being staged at the Stadium is sold out.

“**Interest Payment Date**” means (i) with respect to the Series 2006 PILOT Bonds, Series 2009A PILOT Bonds and Series 2020 PILOT Bonds that are not CPI Bonds, each March 1 and September 1, (ii) with respect to Rental Bonds, each March 1 and September 1, and (iii) with respect to CPI Bonds, the first Business Day of each Month.

“**Interest Rate**” means the rate of interest paid on the City’s twenty (20) year general obligation bonds plus 100 basis points (one percent (1%)) at the time the amount is due on which the Interest Rate is to be calculated under the Lease Agreement.

“**Issuer**” or “**Agency**” means the New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation duly organized and existing under the laws of the State.

“**Kroll**” means Kroll Bond Ratings Agency, Inc.

“**Labor Organization**” has the meaning set forth in the National Labor Relations Act (“NLRA”) (29 U.S.C. §152(5)).

“**Land**” means the land described in Exhibit A to the Master Glossary.

“**Landlord**” means, (i) with respect to the Lease Agreement, the Agency (the “**Lease Agreement Landlord**”) and (ii) with respect to the Ground Lease, the City (the “**Ground Lease Landlord**”).

(Definition of Lease Agreement Landlord and Ground Lease Landlord are only applicable in the Master Glossary.)

“**Landlord’s Suite**” means one luxury suite consisting of eight (8) outdoor seats and four (4) bar-rail seats.

“**Landlord’s Tickets**” means, subject at all times to availability, Landlord’s option to purchase up to one hundred eighty (180) tickets for each Team Home Game during each Team Season, on the terms and conditions contained in the Lease Agreement.

“**Late Charge Rate**” means a rate of 200 basis points (2%) above the Prime Rate, but in no event in excess of the maximum amount permitted by law.

“**League Schedule**” means the schedule of Major League Baseball games issued by Major League Baseball each year and as modified, including pre-season, exhibition, regular-season and postseason games.

“**Lease Administrator**” means DPR, or such other governmental or quasi-governmental agency or instrumentality designated by Lease Agreement Landlord in writing to the Company and the Partnership.

“**Lease Agreement**” or “**Stadium Lease**” or “**Stadium Lease Agreement**” means the Lease Agreement, dated as of August 1, 2006, by and between the Agency, as landlord and the Company, as tenant, as amended by the First Amendment to Lease Agreement, the Second Amendment to Lease Agreement and the Third Amendment to Lease Agreement.

“**Lease Agreement Landlord**” shall have the meaning given such term in the definition of “Landlord.”

“**Lease Agreement Tenant**” shall have the meaning given such term in the definition of “Tenant.”

“**Lease Documents**” means the Lease Agreement, the Stadium Sublease Agreement, the Assignment of Ticket Sales and Suite License Proceeds, the Rental Mortgage, the Recognition Agreement and the SNDAs.

“**Lease Stay Period**” means the period commencing on the date of the occurrence of an Event of Default under the Lease Agreement and ending on the date that is six (6) months after the date of such commencement; provided that if the Lease Stay Period expires during a Team Season, the Lease Stay Period shall be extended to the day after the last day of such Team Season.

“**Lease Year**” means the period from the Commencement Date through December 31, 2006, and thereafter each succeeding twelve month period, except that the last Lease Year shall expire upon the expiration or earlier termination of the Lease Agreement (except that for purposes of the Stadium Sublease Agreement, the last Lease Year shall expire upon the expiration or earlier termination of the Stadium Sublease Agreement).

“**Leasehold Mortgage**” or “**Rental Mortgage**” means the Original Rental Mortgage, as modified by the Modification of Leasehold Rental Mortgage and the Second Modification of Leasehold Rental Mortgage.

**“Leasehold PILOT Mortgage”** means any one or more PILOT Mortgages.

**“Legislature of the State”** means the state legislature of the State of New York.

**“Liabilities”** means Claims of any kind for losses, damage, injury and/or liability, of every kind and nature and however caused.

**“Liquidity Facility Reimbursement Obligation”** has the meaning provided in subsection (d) of Section 3.12 of the Master PILOT Indenture and subsection (d) of Section 3.12 of the Master Rental Indenture.

**“LPA Covered Employer”** means any Retail or Food Service Establishment located on the Facility that (a) employs, or is anticipated to employ upon opening, 10 or more employees, and (b) occupies, or is anticipated to occupy, in excess of 15,000 gross square feet at the Facility.

**“LW”** has the same meaning as the term “living wage” as defined in Section 6-134(b)(9) of the New York City Administrative Code and shall be adjusted annually in accordance therewith, except that as of April 1, 2020, the “living wage rate” component of the LW shall be fifteen dollars per hour (\$15.00/hour) and the “health benefits supplement rate” component of the LW shall be one dollar and ninety-five cents per hour (\$1.95/hour). The annual adjustments to the “living wage rate” and “health benefits supplement rate” will be announced on or around January 1 of each year by the DCA and will go into effect on April 1 of such year.

**“LW Agreement”** means, with respect to any Covered Counterparty, an enforceable agreement in the form attached as Exhibit N-2 to the Lease Agreement (except only with such changes as are necessary to make such Covered Counterparty the obligor thereunder).

**“LW Agreement Delivery Date”** means, with respect to any Covered Counterparty, the latest of (a) the effective date of such Covered Counterparty’s Specified Contract, (b) the date that such Covered Counterparty becomes a Covered Employer at the Facility and (c) the issuance of the Series 2020 PILOT Bonds.

**“LW Event of Default”** means the satisfaction of the following two conditions: (a) two or more LW Violation Final Determinations shall have been imposed against Tenant or its Site Affiliates in respect of the direct Site Employees of Tenant or its Site Affiliates in any consecutive six year period during the LW Term and (b) the aggregate amount of Owed Monies and Owed Interest paid or payable by Tenant in respect of such LW Violation Final Determinations is in excess of the LW Violation Threshold in effect as of the date of the second LW Violation Final Determination. For the avoidance of doubt, the Owed Monies and Owed Interest paid or payable by Tenant in respect of the Site Employees of a Covered Counterparty that is not an Affiliate of Tenant (pursuant to Section 38.28(k)(v) of the Lease Agreement) shall not count for purposes of determining whether the conditions in clauses (a) and (b) of the preceding sentence have been satisfied.

**“LW Law”** means the Fair Wages for New Yorkers Act, constituting Section 6-134 of the New York City Administrative Code, as amended, supplemented or otherwise modified from time to time, and all rules and regulations promulgated thereunder.

**“LW Term”** means the period commencing on the issuance of the Series 2020 PILOT Bonds and ending on the later to occur of (a) the final expiration or earlier termination of the Lease Agreement or (b) the date that is ten years after the issuance of the Series 2020 PILOT Bonds.

**“LW Violation Final Determination”** has the meaning specified in Section 38.28(k)(i)(1), Section 38.28(k)(i)(2)(A) or Section 38.28(k)(i)(2)(B), of the Lease Agreement, as applicable.

**“LW Violation Initial Determination”** has the meaning specified in Section 38.28(k)(i)(2) of the Lease Agreement.

**“LW Violation Notice”** has the meaning specified in Section 38.28(k)(i) of the Lease Agreement.

**“LW Violation Threshold”** means \$100,000 multiplied by 1.03<sup>n</sup>, where “n” is the number of full years that have elapsed since January 1, 2015.

**“Major League Baseball”** or **“MLB”** means, depending on the context, any or all of (a) the BOC, each other MLB Entity and/or all boards and committees thereof, including, without limitation, the Executive Council and the Ownership Committee, and/or (b) the Major League Baseball Clubs acting collectively.

**“Major League Baseball Club”** means any professional baseball club that is entitled to the benefits of, and bound by the terms of, the Major League Constitution.

**“Major League Constitution”** means Major League Constitution adopted by the Major League Baseball Clubs as the same may be amended, supplemented or otherwise modified from time to time in the manner provided therein and all replacement or successor agreements that may in the future be entered into by the Major League Baseball Clubs.

**“Major League Baseball Players Association”** means the union of professional Major League Baseball players.

**“Major Subcontract”** means any Subcontract having a contract price in excess of one million dollars (\$1,000,000).

**“Major Subcontractor”** means any Subcontractor performing work and/or supplying materials under a Major Subcontract.

**“Marks”** means all names (including, without limitation, “New York Yankees,” “Yankees,” “NY” (interlocking Tiffany design), “Yankee Stadium” and “Bronx Bombers”), symbols, seals, emblems, logos (including, without limitation, Yankees top hat), insignia, trademarks, trademark applications, trade names, service marks and trade styles (including all derivatives, associated designs and registrations thereof) of the Partnership and the Team whether now existing or hereafter created or obtained.

**“Master Glossary”** or **“Third Amended and Restated Master Glossary”** means this Third Amended and Restated Master Glossary of Terms for the New York City Industrial Development Agency’s PILOT Revenue Bonds and Rental Revenue Bonds (Yankee Stadium Project), dated as of September 1, 2020.

**“Master PILOT Indenture”** means the Master PILOT Indenture of Trust, dated as of August 1, 2006, between the Agency and the Bond Trustee.

**“Master Rental Indenture”** means the Master Rental Bonds Indenture of Trust, dated as of August 1, 2006, between the Agency and the Rental Bond Trustee.

**“Material Change”** means a material change from features incorporated in the initial construction of the Stadium or otherwise previously approved or deemed approved by Landlord.

**“Maximum Aggregate Annual Debt Service”** means as of any date of calculation with respect to any Series of Bonds or type of Bonds within the same Series, an amount equal to the greatest amount of Debt Service with respect to such Outstanding Bonds for the then current or any future Bond Year.

**“Maximum Annual Net Debt Service”** means as of any date of calculation with respect to any Series of Bonds or type of Bonds within the same Series, an amount equal to the greatest amount of Annual Net Debt Service with respect to such Outstanding Bonds for the then current or any future Bond Year.

**“Maximum Rate”** means, on any date of determination, the interest rate per annum equal to the lesser of (i) 18% per annum and (ii) the maximum rate permitted by the laws of the State.

**“Memo of First Amendment to Lease”** means the Memorandum of First Amendment to Lease Agreement, dated as of February 1, 2009, which was recorded in the City Register on March 5, 2009, as CRFN 2009000064497.

**“Memo of First Amendment to Stadium Sublease”** means the Memorandum of First Amendment to Stadium Sublease, dated as of February 1, 2009, which was recorded in the City Register on March 5, 2009, as CRFN 2009000064499.

**“Memo of Lease”** means the Memorandum of Lease Agreement dated as of August 1, 2006, which was recorded in the City Register on February 5, 2007 as CRFN 2007000067632.

**“Memo of Second Amendment to Lease Agreement”** means the Memorandum of Second Amendment to Lease Agreement, dated as of July 1, 2009, which was recorded in the City Register.

**“Memo of Second Amendment to Stadium Sublease”** means the Memorandum of Second Amendment to Stadium Sublease, dated as of July 1, 2009, which was recorded in the City Register.

**“Memo of Sublease”** means the memorandum of Stadium Sublease Agreement, dated as of August 1, 2006 and which was recorded in the City Register on February 5, 2007 as CRFN 2007000067634.

**“Memo of Third Amendment to Lease Agreement”** means the Memorandum of Third Amendment to Lease Agreement, dated as of September 1, 2020, which is intended to be recorded in the City Register.

**“Memo of Third Amendment to Stadium Lease Agreement”** means the Memorandum of Third Amendment to Stadium Lease Agreement, dated as of September 1, 2020, which is intended to be recorded in the City Register.

**“Memorandum”** or **“Offering Memorandum”** means, (i) with respect to the Series 2006 Rental Bonds, the Private Placement Memorandum, dated as of August 16, 2006, with respect to Rental Revenue Bonds, Series 2006 (Yankee Stadium Project) Federally Taxable, in the aggregate principal amount of \$25,000,000, including the cover page and the Appendices thereto; and (ii) with respect to the Series 2009 Rental Bonds, the Offering Memorandum, dated as of July 16, 2009, with respect to Rental Revenue Bonds, Series 2009 (Yankee Stadium Project) Federally Taxable, in the aggregate principal amount of \$111,900,000, including the cover page and the Appendices thereto.

**“MLB Actions”** means any actions taken by any of the MLB Entities in furtherance of the MLB Documents and MLB Rules and Regulations.

**“MLB Documents”** or **“MLB Governing Documents”** means the following documents as in effect from time to time and any amendments, supplements or other modifications thereto and all replacement or successor documents thereto that may in the future be entered into: (a) the Major League Constitution, (b) the Basic Agreement between the Major League Baseball Clubs and the Major League Baseball Players Association, (c) the Professional Baseball Agreement between the BOC, on behalf of itself and the Major League Baseball Clubs, and the National Association of Professional Baseball Leagues, (d) the Major League Rules (and all attachments thereto), (e) the Amended and Restated Interactive Media Rights Agreement, effective as of January 1, 2020, by and among the Commissioner of Baseball, the Major League Baseball Clubs, the BOC, MLB Advanced Media, L.P. and various other MLB Entities and (f) each agency agreement and operating guidelines among the Major League Baseball Clubs and any MLB Entity, including, without limitation, the Amended and Restated Agency Agreement, effective as of January 1, 2020, by and among the various Major League Baseball Clubs, the BOC, Major League Baseball Properties, Inc. and MLB Advanced Media, L.P. (and the Operating Guidelines related thereto).

**“MLB Entities”** or **“MLB Entity”** means each of the BOC, The MLB Network, LLC, MLB Advanced Media, L.P., Tickets.com, LLC and/or any of their respective present or future affiliates, assigns or successors.

**“MLB Rules and Regulations”** means (a) the MLB Governing Documents, (b) any present or future agreements or arrangements entered into by, or on behalf of, the BOC, any other MLB Entity or the Major League Baseball Clubs acting collectively, including, without limitation, agreements or arrangements entered into pursuant to the MLB Governing Documents, and (c) the present and future mandates, rules, regulations, policies, practices, bulletins, by-laws, directives or guidelines issued or adopted by, or behalf of, the Commissioner of Baseball, the BOC or any other MLB Entity as in effect from time to time, including, without limitation, the Guidelines.

**“MLB Trinity”** means the MLB Actions, MLB Documents and MLB Rules and Regulations, as the same may be subsequently amended, modified or otherwise supplemented from time to time.

**“MLBP”** has the meaning assigned to such term in the definition of MLB Documents herein.

**“MLBP Agency Agreement”** has the meaning assigned to such term in the definitions of MLB Documents.

**“Modification of Leasehold Rental Mortgage”** or **“First Mortgage Modification”** means the Modification of Leasehold Rental Mortgage, dated as of February 1, 2009, among the Company, the Agency and the Rental Bond Trustee, which was recorded in the City Register on March 5, 2009, as CRFN 2009000064544.

**“Month”** means a calendar month.

**“Monthly Draw Schedule”** means the schedule of the estimated monthly disbursements of bond proceeds prepared by the Construction Manager and furnished to Lease Agreement Tenant, the Lease Administrator, the Construction Monitor, the PILOT Trustee and the Rental Bond Trustee.

**“Moody’s”** means Moody’s Investors Service, Inc.



**“Mortgage”** means (i) for purposes of the Lease Agreement, any mortgage or deed of trust or pledge that constitutes a lien on all or any portion of Agency’s interest in the Ground Lease and the Lease Agreement Landlord’s and/or Tenant’s interest in the Lease Agreement and the leasehold estate or estates created by the Lease Agreement or the Ground Lease (for purposes of Article 17 of the Lease Agreement, a collateral assignment or pledge of interests in Tenant solely for purposes of securing indebtedness shall be deemed a Mortgage, provided that the provisions of clause (v) of Section 17.03(b) of the Lease Agreement shall not be applicable thereto), (ii) for purposes of the Ground Lease, any mortgage or deed of trust or pledge that constitutes a lien on all or any portion of Agency’s interest therein and (iii) for purposes of the Rental Mortgage, the Rental Mortgage.

**“Mortgaged Fixtures”** means Fixtures or such other property that constitutes property which could be subject to, or be the subject of, a real property tax in rem foreclosure proceeding in the City.

**“Mortgaged Property”** has the meaning assigned to such term in the PILOT Mortgages and the Rental Mortgages, as the case may be.

**“Mortgagee”** means (i) the holder of a Mortgage and (ii) with respect to the Rental Mortgage, the Agency.

**“Mortgagor”** means, with respect to the Leasehold Rental Mortgage, the Agency and the Company.

**“Muni-CPI Bonds”** or **“CPI Bonds”** means the Series 2006 PILOT Bonds maturing on March 1, 2016 through and including March 1, 2027.

**“Municipal Bond”** has the meaning set forth in the definition of “Defeasance Security.”

**“Naming Rights”** means (i) the right to include a third party’s name, product name and/or logo and/or corporate identifiers in the name of the Stadium, and (ii) the right to have such name and/or logo prominently displayed on the interior of, and on the exterior of the Stadium, and on the Stadium apron and plaza and the area around the entrances to the Stadium, in each instance, subject to the provisions of the Lease Agreement.

**“Nationally-Recognized Bond Counsel”** means Nixon Peabody LLP, or another law firm having at least three (3) attorneys specializing in public finance and whose public financing attorneys cumulatively have at least fifteen (15) years in representing public instrumentalities and municipalities in the issuance of bonds and notes in at least three (3) states.

**“Nationally Recognized Rating Agency”** means S&P, Moody’s, Fitch, Kroll, or DBRS.

**“New Stadium”** or **“Stadium”** means an approximately 1,300,000 square foot Major League Baseball stadium containing seating areas and related concession areas, ancillary structures and improvements located in the Borough and County of The Bronx and the City and State of New York.

**“New York City”** or **“City”** means (i) The City of New York and (ii) with respect to the Lease Agreement, The City of New York, acting, unless expressly stated to the contrary, in its proprietary capacity.

**“New York State Courts”** means the courts of the State of New York.

**“Note Purchase Agreement”** means the Note Purchase Agreement dated as of June 4, 2020, among Stadium HoldCo, the noteholders thereunder and Deutsche Bank Trust Company Americas, as collateral agent.

**“Non-Relocation Agreement”** means the Non-Relocation Agreement dated as of August 1, 2006, by and among the City, ESDC, the Agency and the Partnership, as amended by the First Amendment to Non-Relocation Agreement.

**“NYCEDC”** or **“EDC”** means the New York City Economic Development Corporation, a not-for-profit local development corporation pursuant to Section 1411 of the New York Not-for-Profit Corporation Law and any successor thereof.

**“NYCIDA”** means the Agency.

**“NYSDTF”** shall mean the New York State Department of Taxation and Finance.

**“OCIP”** means Owner Controlled Insurance Program.

**“O&M Fund”** means the New York City Industrial Development Agency – Yankee Stadium Project Operation and Maintenance Fund established by Section 5(a)(iii) of the PILOT Assignment.

**“Obligations”** means, (i) with respect to any Leasehold PILOT Mortgage, collectively (a) the payment by the Company of the PILOT Obligations, as set forth in the PILOT Agreement, with interest and late payment charges thereon as specified in the PILOT Agreement; (b) the payment, performance and observance of all obligations of the Company under such PILOT Mortgage whether existing at the time of execution thereof or thereafter arising, direct or indirect, absolute or contingent, joint or several, due or to become due, liquidated or unliquidated, secured or unsecured; and (c) the payment by the Company of any damage claim arising out of or resulting from the possible rejection in a bankruptcy proceeding of the PILOT Agreement or the discharge or elimination in any other way of the Company’s obligations under the PILOT Agreement in the context of any bankruptcy or insolvency of the Company, and (ii) with respect to the Leasehold Rental Mortgage, all of the Rental Payments to be paid by the Company under Article 3 of the Lease Agreement.

**“Offering Memorandum”** or **“Memorandum”** means, (i) with respect to the Series 2006 Rental Bonds, the Private Placement Memorandum, dated as of August 16, 2006, with respect to Rental Revenue Bonds, Series 2006 (Yankee Stadium Project) Federally Taxable, in the aggregate principal amount of \$25,000,000, including the cover page and the Appendices thereto; and (ii) with respect to the Series 2009 Rental Bonds, the Offering Memorandum, dated as of July 16, 2009, with respect to Rental Revenue Bonds, Series 2009 (Yankee Stadium Project) Federally Taxable, in the aggregate principal amount of \$111,900,000, including the cover page and the Appendices thereto.

**“Official Statement”** means, (i) with respect to the Series 2006 PILOT Bonds, that certain Official Statement, dated August 16, 2006, with respect to PILOT Revenue Bonds, Series 2006 (Yankee Stadium Project) in the aggregate principal amount of \$942,555,000, including the cover page and the Appendices thereto; (ii) with respect to the Series 2009A PILOT Bonds, that certain Official Statement, dated January 28, 2009, with respect to PILOT Revenue Bonds, Series 2009A (Yankee Stadium Project) in the aggregate principal amount of \$258,999,944.60, including the cover page and the Appendices thereto, and (iii) with respect to the Series 2020 PILOT Bonds, that certain Official Statement, dated September 23, 2020, with respect to PILOT Revenue Refunding Bonds, Series 2020A (Yankee Stadium Project) in the aggregate principal amount of \$811,255,000 and PILOT Revenue Refunding Bonds, Series

2020B (Yankee Stadium Project) (Federally Taxable) in the aggregate principal amount of \$116,020,000, including the cover page and the Appendices thereto.

“**Operating Agreement**” means the Operating Agreement of Lease Agreement Tenant dated as of March 17, 2006, as amended or supplemented as may be permitted by the Lease Agreement.

“**Operating Expenses**” means, for any period, the total of all expenditures of whatever kind by Sublandlord during such period relating to the operation, maintenance and management of the Premises, including, without limitation, utilities, ordinary repairs and maintenance, compliance with the Requirements, security, Impositions, license fees, management fees, payroll and related taxes, computer processing charges, leasing commissions and other similar costs, and any expense incurred pursuant to Section 6.02 of the Stadium Sublease Agreement, but excluding Stadium Insurance, Capital Expenditures, PILOTs and any Additional Rent payable by the Landlord pursuant to Section 3.02 of the Lease Agreement.

“**Operation and Maintenance Fund**” means the O&M Fund.

“**Opinion of Bond Counsel**” means a written opinion of Nationally-Recognized Bond Counsel.

“**Opinion of Counsel**” means a written opinion of counsel who may (except as otherwise expressly provided in any Bond Document) be counsel for the Company or the Agency and who shall be acceptable to the PILOT Bond Trustee or Rental Bond Trustee, as applicable.

“**Original Assignment**” or “**Original Partial Rent Assignment**” means the Partial Rent Assignment dated as of August 1, 2006, by and between the Agency and the Rental Bond Trustee, and accepted by the Rental Bond Trustee, as assignee, and acknowledged by the Company, which was recorded in the City Register on February 5, 2007 as CRFN 2007000067678.

“**Original CMA**” or “**CMA**” means the Construction Management Agreement dated as of February 1, 2005, by and between the Company and the Construction Manager, as amended by Amendment No. 1 to the Original CMA, dated as of February 15, 2008.

“**Original Lease Agreement**” or “**Original Stadium Lease**” means the Lease Agreement, dated as of August 1, 2006, by and between the Agency and the Company.

“**Original Mortgage**” or “**Original Rental Mortgage**” means the Leasehold Rental Mortgage, dated as of August 1, 2006, granted by the Agency and the Company, as Mortgagors, to the Agency, as Mortgagee, which was recorded in the City Register on February 5, 2007, as CRFN 2007000067676.

“**Original Mortgage Assignment**” or “**Assignment of Rental Mortgage**” means the Assignment of Rental Mortgage dated as of August 1, 2006, made by the Agency, as Assignor to the Rental Bond Trustee, as Assignee, which was recorded in the City Register on February 5, 2007 as CRFN 2007000067679.

“**Original Partial Rent Assignment**” or “**Original Assignment**” means the Partial Rent Assignment dated as of August 1, 2006, by and between the Agency and the Rental Bond Trustee, and accepted by the Rental Bond Trustee, as assignee, and acknowledged by the Company, which was recorded in the City Register on February 5, 2007 as CRFN 2007000067678.

**“Original PILOT Agreement”** means the Payment-in-Lieu-of Tax Agreement dated as of August 1, 2006, by and among the Agency, the Company and the City (solely as to Section 2(c) of the PILOT Agreement).

**“Original PILOT Mortgages”** means, collectively, the Leasehold PILOT Mortgages dated as of August 1, 2006, granted by the Agency and the Company to the Agency, each of which was recorded in the City Register on February 5, 2007.

**“Original PILOT Mortgages Assignment”** means the Assignment of PILOT Mortgages, dated as of August 1, 2006, made by the Agency to the PILOT Trustee, which was recorded in the City Register on February 5, 2007, as CRFN 2007000067673.

**“Original PILOT Mortgages Modifications”** means, collectively, those certain agreements titled Modifications of Leasehold PILOT Mortgages, dated as of February 1, 2009, by and among the Company, the Agency and PILOT Trustee, each of which was recorded in the City Register on March 5, 2009.

**“Original PILOTs”** means payments by Lease Agreement Tenant in lieu of taxes and assessments pursuant to the Original PILOT Agreement.

**“Original Recognition Agreement”** means the Amended and Restated Recognition, Non-Disturbance and Attornment Agreement dated as of August 1, 2006, between the Company and the City, which was recorded in the City Register on February 5, 2007 as CRFN 2007000067633.

**“Original Rental Mortgage”** or **“Original Mortgage”** means the Leasehold Rental Mortgage, dated as of August 1, 2006, granted by the Agency and the Company, as Mortgagors, to the Agency, as Mortgagee, which was recorded in the City Register on February 5, 2007, as CRFN 2007000067676.

**“Original Rental Mortgage Modification”** means the Modification of Leasehold Rental Mortgage dated as of February 1, 2009, by and between the Agency and the Company, as Mortgagors, and the Agency as Mortgagee, which was recorded in the City Register on March 5, 2009, as CRFN 2009000064544.

**“Original RNDA”** means the Recognition, Non-Disturbance and Attornment Agreement between the City and the Company, dated as of August 1, 2006, which was recorded in the City Register on February 5, 2007, as CRFN 2007000067633.

**“Original SNDA”** means the Subordination, Non-Disturbance and Attornment Agreement (Rental Mortgage) between the Rental Trustee and the Partnership, dated as of August 1, 2006, which was recorded in the City Register on February 5, 2007, as CRFN 2007000067680.

**“Original Stadium Lease”** or **“Original Lease Agreement”** means the Lease Agreement, dated as of August 1, 2006, by and between the Agency and the Company.

**“Original Subordination and Recognition Agreement”** means the Mortgage Subordination, Standstill and Recognition Agreement dated as of August 1, 2006, between the PILOT Trustee and the Rental Bond Trustee, which was recorded in the City Register on February 5, 2007 as CRFN 2007000067677.

**“Original Stadium Sublease”** means the Stadium Sublease, dated as of August 1, 2006, between the Company, as sublandlord, and the Partnership as subtenant.

**“Other Entity”** or **“Other Entities”** means (i) the Lease Agreement Tenant or (ii) the Partnership or any of its Affiliates.

**“Other Mortgages”** means any mortgages other than PILOT Mortgages or Rental Mortgages, as the case may be.

**“Other Swap Payments”** means any payments to be made by the Agency pursuant to a Qualified Swap other than the Regularly Scheduled Swap Payments and Swap Termination Payments, and shall include any other fees, expenses, indemnification payments or other payments due thereunder and shall, for the purpose of determining amounts due and amounts to be deposited in the applicable Subordinated Bond Fund, include any accrued but unpaid Other Swap Payments, including any interest due on such unpaid amounts.

**“Outstanding”**, when used with reference to a Bond or Bonds, as of any particular date, means all Bonds which have been issued, executed, authenticated and delivered under the Master PILOT Indenture or Master Rental Indenture, as the case may be, except:

(i) Bonds cancelled by the applicable Trustee because of payment or redemption prior to maturity or surrendered to the Trustee for cancellation;

(ii) any Bond (or portion of a Bond) for the payment or redemption of which, in accordance with Section 10.01 of the Master PILOT Indenture or Master Rental Indenture, as the case may be, there has been separately set aside and held in the PILOT Bonds Redemption Account in the PILOT Bonds Bond Fund or the Rental Bonds Redemption Account in the Rental Bonds Bond Fund:

(a) moneys, and/or

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

(iii) Bonds in exchange for or in lieu of which other Bonds shall have been authenticated and delivered under Article III of the Master PILOT Indenture or the Master Rental Indenture, as applicable; and

(iv) Bonds cancelled pursuant to Section 3.08 of the Master PILOT Indenture or the Master Rental Indenture, as applicable; and

(v) as may be provided with respect to such Bonds by the Supplemental PILOT Indenture or Supplemental Rental Indenture, as applicable, authorizing such PILOT Bonds or Rental Bonds, as the case may be.

**“Owed Interest”** means the interest accruing on Owed Monies, which interest shall accrue from the relevant date(s) of underpayment to the date that the Owed Monies are paid, at a rate equal to the

interest rate then in effect as prescribed by the superintendent of banks pursuant to Section 14-a of the New York State Banking Law, but in any event at a rate no less than six percent per year.

**“Owed Monies”** means, as the context shall require, either (a) the total deficiency of LW required to be paid by Tenant or a Site Affiliate in accordance with Section 38.28 of the Lease Agreement to Tenant’s or its Site Affiliate’s (as applicable) direct Site Employee(s) after taking into account the wages actually paid (which shall be credited towards the “living wage rate” component of the LW), and the monetary value of health benefits actually provided (which shall be credited towards the “health benefits supplement rate” component of the LW), to such direct Site Employee(s), all as calculated on a per pay period basis; or (b) if Tenant or its Site Affiliate failed to obtain a LW Agreement from a Covered Counterparty as required under Section 38.28(f) of the Lease Agreement, the total deficiency of LW that would have been required to be paid under such Covered Counterparty’s LW Agreement to its direct Site Employee(s) after taking into account the wages actually paid (which shall be credited towards the “living wage rate” component of the LW), and the monetary value of health benefits actually provided (which shall be credited towards the “health benefits supplement rate” component of the LW), to such direct Site Employee(s), all as calculated on a per pay period basis, during the period commencing on the LW Agreement Delivery Date applicable to such Covered Counterparty and ending immediately prior to the execution and delivery by such Covered Counterparty of its LW Agreement (if applicable).

**“Owner”** means Lease Agreement Tenant as owner, as such term is used in AIA Form 201.

**“Ownership Committee”** means the Ownership Committee of Major League Baseball and any successor body thereto.

**“Parity Debt”** means any Parity Reimbursement Obligation or any Parity Swap Obligation. For purposes of Section 8.04 of the Master PILOT Indenture or Master Rental Indenture, any Parity Debt entered into or issued shall specify, to the extent applicable, the interest and principal components of, or the scheduled payments corresponding to interest under, such Parity Debt. Parity Debt shall comply with Section 8.13 of the Master PILOT Indenture and Master Rental Indenture.

**“Parity Reimbursement Obligations”** means a Reimbursement Obligation which is secured by a pledge of and lien on the PILOT Bonds Trust Estate or the Rental Bonds Trust Estate, as the case may be, on a parity with Bonds.

**“Parity Swap Obligations”** means the Agency’s obligation to make Regularly Scheduled Swap Payments under a Qualified Swap which are secured by a pledge of and lien on the PILOT Bonds Trust Estate or the Rental Bonds Trust Estate, on a parity with Bonds.

**“Parking Agreement”** or **“Parking Facilities Agreement”** means the Parking Facilities Agreement, dated as of August 1, 2006, by and among the City, ESDC, EDC, the Partnership and the Company, as amended by First Amendment to Parking Facilities Agreement, dated December 1, 2007 and Second Amendment to Parking Facilities Agreement, dated February 5, 2009.

**“Parking Facilities”** means the existing parking garages and construction of a surface parking lot and equipping of certain other existing parking garages and parking lots, which in the aggregate will provide approximately 9,127 parking spaces in the vicinity of the New Stadium.

**“Parking Facilities Agreement”** or **“Parking Agreement”** means the Parking Facilities Agreement, dated as of August 1, 2006, by and among the City, ESDC, EDC, the Partnership and the Company, as amended by First Amendment to Parking Facilities Agreement, dated December 1, 2007 and Second Amendment to Parking Facilities Agreement, dated February 5, 2009.

**“Parking Facilities Bonds”** means the \$237,635,000 New York City Industrial Development Agency Civic Facility Revenue Bonds (Bronx Parking Development Company, LLC Project), Series 2007.

**“Parking Lease”** means the Agreement of Lease, dated as of December 1, 2007, between the City and EDC.

**“Parks Department”** or **“City Parks Department”** means the New York City Department of Parks and Recreation.

**“Partial Lease Assignment”** means the Partial Lease Assignment dated as of August 1, 2006, by and between the Agency and the Bond Trustee, and accepted by the Bond Trustee, as assignee, and acknowledged by the Company, which was recorded in the City Register on February 5, 2007 as CRFN 2007000067674.

**“Partial Rent Assignment”** or **“Second Amended and Restated Partial Rent Assignment”** means the Second Amended and Restated Partial Rent Assignment, dated as of July 1, 2009, by and between the Agency and the Rental Bond Trustee, and accepted by the Rental Bond Trustee, as assignee, and acknowledged by the Company, which was recorded in the City Register.

**“Partnership”** means the New York Yankees Partnership, an Ohio limited partnership.

**“Paying Agent”** means the PILOT Bonds Paying Agent or the Rental Bonds Paying Agent, as the case may be.

**“Payment and Performance Bonds”** means the labor and material payment and performance bonds with respect to certain Major Subcontractors to the extent required by Lease Agreement Tenant.

**“Pending Strike Risk”** means if MLB has a collective bargaining agreement with the MLBPA, the then current collective bargaining agreement between the MLBPA and MLB will terminate or expire by its terms within twelve (12) months and no new collective bargaining agreement with the MLBPA shall have been entered into and approved; provided, however, that a “Pending Strike Risk” shall not be considered to be in effect if (a) a new collective bargaining agreement between the MLBPA and MLB shall have been approved or shall be in effect or (b) another agreement terminating a Strike shall have been approved.

**“Permitted Encumbrances”** means (i) the Initial Mortgages; (ii) the Stadium Sublease Agreement; (iii) easements, licenses or rights-of-way, over, under or upon the real property on which the Stadium is located, so long as such easements, licenses or rights-of-way do not diminish or destroy the value or usefulness of the Stadium, and any lien, encumbrance or restriction permitted in accordance with the Initial Mortgages; (iv) liens for Impositions not then delinquent; (v) any subleases, concessions, occupancy agreements and licenses consistent with the rights and obligations of the Lease Agreement Tenant; (vi) such minor defects, irregularities, encumbrances, easements, rights-of-way, covenants running with the land and clouds on title as normally exist with respect to properties similarly used and which do not materially impair the property affected thereby or the use of such property for the purpose for which it is held; and (vii) Title Matters.

**“Permitted Person”** means any Person that (A) is not a Prohibited Person nor is any Principal of such Person a Prohibited Person and (B) has submitted an affidavit to Landlord that such Transferee or Subtenant is not a Prohibited Person, nor is any Principal of Transferee or Subtenant a Prohibited Person.

**“Permitted Transaction”** means a Sublease or Capital Transaction if:

(1) each of the following conditions is satisfied, as applicable:

(i) on the effective date of such Sublease or Capital Transaction, there exists no uncured Event of Default under the Lease Agreement and there exists no Default under the Lease Agreement, other than a Default which is being cured simultaneously with or as a consequence of such Sublease or Capital Transaction, notice of which has been given to Lease Agreement Tenant;

(ii) the proposed Assignee, Transferee or Subtenant is a Permitted Person;

(iii) Lease Agreement Tenant shall have complied in all material respects with any and all of the applicable provisions of Article 17 of the Lease Agreement;

(iv) in the case of an Assignment (other than an Assignment by operation of law, i.e., a merger or sale of the business of Lease Agreement Tenant), Lease Agreement Tenant has obtained a written assumption by Assignee, in form and substance reasonably satisfactory to Landlord and executed by the Assignee, of all of Lease Agreement Tenant’s obligations under the Lease Agreement (A) accruing after the date of such Assignment and (B) that accrued prior to the date of such assignment, unless Lease Agreement Tenant agrees in form and substance reasonably satisfactory to Landlord to remain liable for all such prior accrued obligations or otherwise provides security for such obligation satisfactory to Landlord;

(v) the proposed Subtenant, Assignee or Transferee shall have Common Ownership with the Team;

(vi) if Lease Agreement Tenant has not Substantially Completed Construction of the Stadium as of the effective date of the Stadium Sublease Agreement, Assignment or Transfer, the Team and Lease Agreement Tenant will be under Common Control; and

(vii) the written stipulation of the Partnership that such Capital Transaction shall not in any way impair or diminish the Team’s obligations and liability or Landlord’s rights and remedies under the Non-Relocation Agreement; or

(2) a Capital Transaction arises out of the exercise of remedies by an unrelated secured party in an arm’s length transaction resulting from the default, breach or non-performance under a security agreement by the Team or any direct or indirect constituent entity of Lease Agreement Tenant.

The foregoing notwithstanding, the Stadium Sublease Agreement is deemed to be a Permitted Transaction.

**“Person”** means an individual, corporation, limited liability company, partnership, joint venture, estate, trust, unincorporated association; any federal, state, county or municipal government or any bureau, department or agency thereof; and any fiduciary acting in such capacity on behalf of any of the foregoing.

**“PILOT Agreement”** means the Payment-in-Lieu-of Tax Agreement dated as of August 1, 2006, by and among the Agency, the Company and the City (solely as to Section 2(c) of the PILOT Agreement), as amended by Amendment No. 1 to PILOT Agreement, dated as of January 16, 2009, and by Amendment No. 2 to PILOT Agreement, dated as of February 1, 2009.



**“PILOT Amendment”** means, collectively, Amendment No. 1 to PILOT Agreement, dated as of January 16, 2009, and Amendment No. 2 to PILOT Agreement, dated as of February 1, 2009 by and between the Agency and the Company.

**“PILOT Assignment”** means the Amended and Restated PILOT Assignment.

**“PILOT Bond Fees”** means (i) the periodic fees of any Persons (other than employees of the Agency or any affiliate thereof) required to facilitate any variable or auction rate program relating to the PILOT Bonds (such as an auction agent, broker-dealer, market agent or remarketing agent), (ii) annual premiums for municipal bond insurance, and (iii) the Agency PILOT Bond Administrative Fee.

**“PILOT Bond Documents”** shall mean the PILOT Agreement, the PILOT Bonds, the PILOT Assignment, the PILOT Mortgages, the PILOT Mortgages Assignment, the Partial Lease Assignment, the PILOT SNDA and the Assignment of Ticket Sales and Suite License Proceeds.

**“PILOT Bond Registrar”** means the Bond Trustee acting as registrar as provided in Section 3.10 of the Master PILOT Indenture.

**“PILOT Bond Trustee”** or **“Bond Trustee”** means The Bank of New York Mellon, in its capacity as Trustee under the Master PILOT Indenture.

**“PILOT Bondholder”** means the registered owners of the PILOT Bonds as shown on the register of PILOT Bond owners maintained by the PILOT Bond Registrar.

**“PILOT Bonds”** means the bonds issued by the Agency pursuant to the PILOT Indenture.

**“PILOT Bonds Administrative Cost Account”** means the Account by that name established in the PILOT Bonds Project Fund by the Master PILOT Indenture.

**“PILOT Bonds Bond Fund”** means the Fund by that name established pursuant to the Master PILOT Indenture.

**“PILOT Bonds Capitalized Interest Account”** means the Account by that name established in the PILOT Bonds Project Fund by the Master PILOT Indenture.

**“PILOT Bonds Construction and Acquisition Account”** means the Account by that name established in the PILOT Bonds Project Fund by the Master PILOT Indenture.

**“PILOT Bonds Costs of Issuance Account”** means the Account by that name established in the PILOT Bonds Project Fund by the Master PILOT Indenture.

**“PILOT Bonds Debt Service and Reimbursement Fund”** means the Fund of that name established pursuant to the PILOT Agreement.

**“PILOT Bonds Debt Service Reserve Account”** means the Account by that name established in the PILOT Bonds Debt Service Reserve Fund of the Master PILOT Indenture.

**“PILOT Bonds Debt Service Reserve Account Credit Facility Provider”** means the issuer or other provider of any Reserve Account Credit Facility deposited to a PILOT Bonds Debt Service Reserve Subaccount established in the PILOT Bonds Debt Reserve Account in the PILOT Bonds Debt Service Reserve Fund.

**“PILOT Bonds Debt Service Reserve Account Requirement”** means (a) with respect to Initial PILOT Bonds, an amount equal to Maximum Aggregate Annual Debt Service on Initial PILOT Bonds, (b) with respect to the Series 2009A PILOT Bonds, an amount equal to the lesser of (i) the maximum Debt Service due on the Series 2009A PILOT Bonds in any Bond Year or (ii) 125% of the average of the annual installments of Debt Service with respect to all Series 2009A PILOT Bonds, (c) with respect to the Series 2020 PILOT Bonds, an amount equal to the lesser of (i) 10% of the proceeds of the Series 2020 PILOT Bonds, (ii) the maximum Debt Service due on the Series 2020 PILOT Bonds in any Bond Year, or (iii) 125% of the average of the annual installments of Debt Service with respect to all Series 2020 PILOT Bonds, ***less*** (x) so long as any Series 2006 PILOT Bonds are Outstanding, the amount on deposit in the Series 2006 PILOT Bond Debt Service Reserve Subaccount, and (y) so long as any Series 2009A PILOT Bonds are Outstanding, the amount on deposit in the Series 2009A PILOT Bonds Debt Service Reserve Subaccount; and (d) with respect to Additional PILOT Bonds, the amount specified in the applicable Supplemental PILOT Indenture pursuant to which such Additional PILOT Bonds are issued. For purposes of calculating the PILOT Bonds Debt Service Reserve Account Requirement for a particular Series of PILOT Bonds, “Debt Service” shall not include Bond Fees.

**“PILOT Bonds Debt Service Reserve Fund”** means the Fund by that name established pursuant to the Master PILOT Indenture.

**“PILOT Bonds Indenture”** or **“PILOT Indenture”** means the Master PILOT Indenture and the Supplemental PILOT Indentures.

**“PILOT Bonds Interest Account”** means the Account by that name established in the PILOT Bonds Bond Fund by the Master PILOT Indenture.

**“PILOT Bonds Interest Reserve Account”** means the PILOT Bonds Special Reserve Account established in the PILOT Bonds Bond Fund by the Master PILOT Indenture.

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

**“PILOT Bonds Payment Date”** means any payment date under the PILOT Indenture.

**“PILOT Bonds Principal Account”** means the Account by that name established in the PILOT Bonds Bond Fund by the Master PILOT Indenture.

**“PILOT Bonds Project Fund”** means the Fund by that name established by the Master PILOT Indenture.

**“PILOT Bonds Rebate Fund”** means the Fund by that name established by the Master PILOT Indenture.

**“PILOT Bonds Rebate Requirement”** means such amount as shall be set forth in a PILOT Bonds Tax Certificate or a certificate of the Agency delivered to the Bond Trustee.

**“PILOT Bonds Redemption Account”** means the Account by that name established in the PILOT Bonds Bond Fund by the Master PILOT Indenture.

**“PILOT Bonds Renewal Fund”** means the Fund by that name established by the Master PILOT Indenture.

**“PILOT Bonds Revenue Fund”** means the Fund by that name established by the Master PILOT Indenture.

**“PILOT Bonds Special Reserve Account”** means the PILOT Bonds Special Reserve Account established in the PILOT Bonds Bond Fund by the Master PILOT Indenture.

**“PILOT Bonds Special Reserve Account Requirement”** means, if any, the amount set forth in the Supplemental PILOT Indenture authorizing a Series of PILOT Bonds.

**“PILOT Bonds Strike Reserve Account”** means the Account by that name established in the PILOT Bonds Debt Service Reserve Fund by the Master PILOT Indenture.

**“PILOT Bonds Strike Reserve Account Credit Facility”** means (a) while the Series 2006 PILOT Bonds are Outstanding, (i) any irrevocable, unconditional letter of credit issued by a bank or savings and loan association whose long-term uncollateralized debt obligations are rated in one of the two highest Rating Categories by two Nationally Recognized Rating Agencies, and (ii) any insurance policy providing substantially equivalent liquidity as an irrevocable, unconditional letter of credit, and which is issued by a municipal bond or other insurance company obligations, which are rated in one of the two highest Rating Categories by two Nationally Recognized Rating Agencies, and which is used, to the extent permitted under applicable law, including the Act, to fund all or a portion of the PILOT Bonds Strike Reserve Account Requirement, and (b) at all other times, (i) any irrevocable, unconditional letter of credit issued by a bank or savings and loan association whose long-term uncollateralized debt obligations are rated in one of the three highest Rating Categories by two Nationally Recognized Rating Agencies, and (ii) any insurance policy providing substantially equivalent liquidity as an irrevocable, unconditional letter of credit, and which is issued by a municipal bond or other insurance company obligations, which are rated in one of the three highest Rating Categories by two Nationally Recognized Rating Agencies, and which is used, to the extent permitted under applicable law, including the Act, to fund all or a portion of the PILOT Bonds Strike Reserve Account Requirement.

**“PILOT Bonds Strike Reserve Account Credit Facility Provider”** means the issuer or other provider of any PILOT Bonds Strike Reserve Account Credit Facility.

**“PILOT Bonds Strike Reserve Account Requirement”** means (a) at the time of the issuance of the Initial PILOT Bonds, \$24,354,041.89, (b) at the time of the issuance of the Series 2009A PILOT Bonds, \$38,211,412.50, (c) (i) at the time of the issuance of the Series 2020 PILOT Bonds and as long as any Series 2006 PILOT Bonds are Outstanding, \$48,681,463.00, of which at least \$10,470,050.00 shall be in cash, and (ii) upon payment in full of the Outstanding Series 2006 PILOT Bonds, an amount equal to (A) one half (1/2) of maximum Debt Service due on the Series 2009A PILOT Bonds and the Series 2020 PILOT Bonds in any Bond Year, *plus* (B) if there is on deposit a PILOT Bonds Strike Reserve Account Credit Facility and the PILOT Bonds Strike Reserve Account Credit Facility Provider no longer maintains ratings from at least two Nationally Recognized Rating Agencies in one of the two highest rating categories, \$5,500,000.00 in cash, and (d) with respect to Additional PILOT Bonds issued subsequent to issuance of the Series 2020 PILOT Bonds, the amount specified in the applicable Supplemental PILOT Indenture pursuant to which such Additional PILOT Bonds are issued.

**“PILOT Bonds Subordinated Bond Fund”** means the Fund by that name established by the Master PILOT Indenture.

**“PILOT Bonds Subordinated Indebtedness”** means any PILOT Bond, note or other indebtedness authorized by a resolution or Master PILOT Indenture of the Agency and permitted under the Act and designated as constituting “Subordinated Indebtedness” in a certificate of an Authorized Representative of the Agency delivered to the Bond Trustee, which shall be payable from the PILOT Bonds Trust Estate subject and subordinate to the prior payments to be made therefrom as provided for in the Master PILOT Indenture.

**“PILOT Bonds Subordinated Obligation”** means any payment obligation (other than a payment obligation constituting a Subordinated Indebtedness) of the Agency incurred pursuant to the Act arising under any contract, agreement or other obligation incurred with respect to the PILOT Bonds Trust Estate not constituting Bonds or Parity Debt. Subordinated Obligations may be secured by a lien on and pledge of the PILOT Bonds Trust Estate or the Rental Bonds Trust Estate, as the case may be, junior and inferior to the lien on and pledge of the PILOT Bonds Trust Estate created for the payment of the PILOT Bonds and Parity Debt to the extent permitted by the Master PILOT Indenture, and may also be payable from such other sources and additionally secured as provided by the Master PILOT Indenture.

**“PILOT Bonds Tax Certificate”** means the tax certificate as to arbitrage and the provisions of sections 103 and 141-150 of the Code.

**“PILOT Bonds Trust Estate”** means (i) all right, title and interest of the Agency in and to the PILOT Revenues; (ii) all moneys and securities from time to time held by the Bond Trustee under the terms of the Master PILOT Indenture including amounts in the PILOT Bonds Project Fund, the PILOT Bonds Revenue Fund, the PILOT Bonds Bond Fund, the PILOT Bonds Subordinated Bond Fund or any other Fund created in accordance with the provisions of the Master PILOT Indenture, and all investment earnings of any of the foregoing (excluding amounts in the PILOT Bonds Rebate Fund, the Series 2006 PILOT Bonds Principal Prepayment Subaccount in the PILOT Bonds Special Reserve Account or such other Fund or Account expressly excluded from the PILOT Bonds Trust Estate, and, provided that amounts held in the PILOT Bonds Renewal Fund shall be held in trust in favor of only those Persons entitled to amounts therein, as provided in the Master PILOT Indenture and provided further that amounts in each Subaccount on the PILOT Bonds Debt Service Reserve Account in the PILOT Bonds Debt Service Reserve Fund shall be held in trust in favor of only those Persons entitled to amounts therein), subject to disbursements from said Funds or any such special fund in accordance with the provisions of the Master PILOT Indenture; (iii) all right, title and interest of the Bond Trustee in the moneys and securities from time to time held in the Debt Service and Reimbursement Fund held by the PILOT Trustee under the PILOT Assignment; and (iv) any and all moneys or other property, including, without limitation, Restoration Funds, insurance proceeds and condemnation awards to be deposited in the PILOT Bonds Renewal Fund, of every kind and nature delivered, or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as additional security under the Master PILOT Indenture, by the Agency or by any other Person, firm or corporation to the Bond Trustee.

**“PILOT Documents”** means, collectively, the PILOT Agreement, the PILOT Assignment, the PILOT Mortgages and the PILOT Mortgages Assignment.

**“PILOT Fund”** means the New York City Industrial Development Agency – Yankee Stadium Project PILOT Fund, established by Section 4 of the PILOT Assignment.

**“PILOT Indenture”** or **“PILOT Bonds Indenture”** means the Master PILOT Indenture and the Supplemental PILOT Indentures.

**“PILOT Mortgages”** means, collectively, the PILOT Mortgages – 2006 and the PILOT Mortgages – 2009, each of which was recorded in the City Register.

**“PILOT Mortgages – 2006”** means, collectively, the Leasehold PILOT Mortgages dated as of August 1, 2006, granted by the Agency and the Company to the Agency, each of which was recorded in the City Register on February 5, 2007, as amended by the Original PILOT Mortgages Modifications.

**“PILOT Mortgages – 2009”** means, collectively, the Leasehold PILOT Mortgages dated as of February 1, 2009, granted by the Agency and the Company to the Agency, each of which was recorded in the City Register on March 5, 2009.

**“PILOT Mortgages Assignment”** means, collectively, (i) the Assignment of PILOT Mortgages, dated as of August 1, 2006, made by the Agency to the PILOT Trustee recorded in the City Register on February 5, 2007, as CRFN 2007000067673 and (ii) the Assignment of PILOT Mortgages, dated as of February 1, 2009, made by the Agency to the PILOT Trustee recorded in the City Register on March 5, 2009, as CRFN 2009000064503.

**“PILOT Mortgage Stay Period”** means a period commencing on the date of the occurrence of a Default under a PILOT Mortgage and ending on the date that is six (6) months after the date of such commencement; provided that if the PILOT Mortgage Stay Period expires during a Team Season, the PILOT Mortgage Stay Period shall be extended to the day after the last day of such Team Season.

**“PILOT Obligations”** means the obligation of the Company to pay PILOTs to the Agency under the PILOT Agreement during the PILOT Year to which any particular PILOT Mortgage corresponds.

**“PILOT Payment Date”** means any date on which a payment is due to be made on any payment obligation under the PILOT Indenture.

**“PILOT Payments”** or **“PILOTs”** means payments by Lease Agreement Tenant in lieu of taxes and assessments pursuant to the PILOT Agreement.

**“PILOT Receipts”** means the proceeds of any PILOTs received by the PILOT Trustee.

**“PILOT Revenues”** means amounts transferred by the PILOT Trustee to the Bond Trustee pursuant to the PILOT Assignment.

**“PILOT Revenues Payment Date”** means February 15 or the date on which PILOT Revenues are deposited into the PILOT Bonds Revenue Fund.

**“PILOT SNDA”** means the Second Amended and Restated PILOT SNDA.

**“PILOT Term”** means the Initial Term and one or more Extended Terms, if any.

**“PILOT Trustee”** or **“PILOT Bond Trustee”** means The Bank of New York Mellon as PILOT Trustee under the PILOT Assignment.

**“PILOT Year”** means the period commencing January 15 of each calendar year and ending on January 14 of the following calendar year, beginning in 2009.

**“PILOTs”** or **“PILOT Payments”** means payments by Lease Agreement Tenant in lieu of taxes and assessments pursuant to the PILOT Agreement.

**“Plans and Specifications”** means all the preliminary and completed final drawings and plans and specifications prepared for the Stadium Project, conforming to the Schematics, and approved by Lease Agreement Landlord with respect to the Reviewable Features, and which Plans and Specifications may be modified from time to time in accordance with the provisions of the Lease Agreement.

**“Police Substation”** means that space within the Stadium structure that is or is to be reserved to the City and excluded from the Premises demised by the City to Agency under the Ground Lease and from the Premises demised to the Company under the Lease Agreement, which is to be used and occupied by the New York City Police Department for police operations, as generally described in the First Amendment to Lease Agreement as Exhibit A.

**“Premises”** means the Land and the Improvements, other than the Police Substation.

**“Prepaid Rent”** means all amounts of Additional Rent payable by the Company to the Issuer upon the occurrence of a Pending Strike Risk to satisfy a Prepaid Rent Account Funding Requirement established for a Series of Rental Bonds pursuant to a Supplemental Rental Indenture.

**“Prevailing Wage Law”** means Section 6-130 of the New York City Administrative Code, as amended, supplemented or otherwise modified from time to time, and all rules and regulations promulgated thereunder.

**“Prime Rate”** means the rate publicly announced as “prime rate” from time to time by JPMorgan Chase Bank, N.A., or its successors, at its principal office in New York City. Any interest payable under the Lease Agreement with reference to the Prime Rate shall be adjusted on a daily basis, based upon the Prime Rate in effect at the time in question, and shall be calculated on the basis of a 365-day year.

**“Principal”** means, solely for purposes of Sections 17.01(c)(vi), 19.02, 24.01(1) and 33.07(a) of the Lease Agreement, each of the following Persons:

- (i) Executive Officers of Tenant; and
- (ii) Persons that Control Tenant.

**“Principal Installment”** means, as of any date of calculation and with respect to any Series so long as any Bonds thereof are Outstanding, (i) the principal amount of Bonds of such Series due (or so tendered for payment and not purchased) on any date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance of any Sinking Fund Installments due on any date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if both clause (i) and clause (ii) apply on the same date with respect to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of Sinking Fund Installments due on such date plus such applicable redemption premiums, if any.

**“Principal Payment”** means, as of any date of calculation and with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, or any Parity Debt, as applicable, (i) the principal amount of Bonds (of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in a Supplemental Indenture) of any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking

Fund Installments, or (iii) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any, and (iv) with respect to any Parity Debt, that amount due thereunder on the dates and in the amounts established in accordance with the Master PILOT Indenture or the Master Rental Indenture, as the case may be, as the principal component of such Parity Debt payable on a parity with Bonds.

**“Principal Payment Date”** means, with respect to each Series of PILOT Bonds or Rental Bonds, as the case may be, the principal payment dates pursuant to a Supplemental PILOT Indenture or Supplemental Rental Indenture, as the case may be.

**“Professional Baseball Agreement”** has the meaning assigned to such term in the definition of MLB Documents.

**“Pro Forma PILOTs Coverage Percentage”** means, with respect to any Series of Additional PILOT Bonds, the smallest percentage determined by dividing (i) PILOT Receipts projected for any PILOT Year (which calculation of projected PILOT Receipts shall include the projected increased PILOT Receipts, if any, resulting from the Project and/or Capital Addition financed with the proceeds of such Additional PILOT Bonds), by (ii) Annual Net Debt Service projected to be payable in the Bond Year that commences during such PILOT Year (which calculation of projected Annual Net Debt Service shall contemplate such Additional PILOT Bonds as well as all currently Outstanding PILOT Bonds that will remain Outstanding following the issuance of such Additional PILOT Bonds); provided, however, that for purposes of calculating the Pro Forma PILOTs Coverage Percentage, Bond Years during which interest has been capitalized in whole or in part, and the PILOT Years during which such Bond Years begin, shall be disregarded.

**“Prohibited Person”** means, at the time of a Transfer:

(i) Subject to the provisions relating to Lease Agreement Tenant’s contesting an alleged default under a written agreement with the City as set forth in Section 17.01(g)(i)(D) of the Lease Agreement, any Person that is in material default or in material breach, beyond any applicable grace period, of its obligations under any written agreement with the City, or that directly or indirectly controls, is controlled by, or is under common control with a Person that is in default or in breach, beyond any applicable grace period, of its obligations, involving an amount of ten thousand dollars (\$10,000) or more, under any written agreement with the City, unless such default or breach is then being contested in proceedings in a court or other appropriate forum or has been waived in writing by the City, as the case may be.

(ii) Any Person that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure, or that directly or indirectly controls, is controlled by, or is under common control with a Person that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure.

(iii) Any government, or any Person that is directly or indirectly controlled (rather than only regulated) by a government, that is finally determined to be in violation of (including, but not limited to, any participation in an international boycott in violation of) the Export Administration Act of 1979, or its successor, or the regulations issued pursuant thereto, or any government that

is, or any Person that, directly or indirectly, is controlled (rather than only regulated) by a government that is, subject to the regulations or controls thereof.

(iv) Any government, or any Person that, directly or indirectly, is controlled (rather than only regulated) by a government, the effects of the activities of which are regulated or controlled pursuant to regulations of the United States Treasury Department or executive orders of the President of the United States of America issued pursuant to the Trading with the Enemy Act of 1917, as amended.

(v) Any Person that has received written notice of default in the payment to the City of any Taxes, sewer rents or water charges of ten thousand dollars (\$10,000) or more, unless such default has been cured or is then being diligently contested in proceedings in a court or other appropriate forum.

(vi) Any Person that has owned at any time in the preceding three years any property which, while in the ownership of such Person, was acquired by the City by in rem tax foreclosure, other than a property in which the City has released or is in the process of releasing its interest to such Person pursuant to the Administrative Code of the City, or that, directly or indirectly controls, is controlled by, or is under common control with a Person that has owned at any time in the preceding three years any property which, while in the ownership of such Person, was acquired by the City by in rem tax foreclosure, other than a property in which the City has released or is in the process of releasing its interest to such Person pursuant to the Administrative Code of the City.

**“Project”** means the project consisting of the design, development, acquisition, construction and equipping of the New Stadium.

**“Project Budget”** means a budget prepared by Lease Agreement Tenant which identifies all estimated costs of the Project and includes an estimated capital expenditure and estimated drawdown schedule by cost category.

**“Project Costs”** means costs, expenses and purposes for which Bonds may be issued under the Act, including, but not limited to, the following: (i) the cost of preparing the Plans and Specifications and any preliminary study or planning of the Project or any aspect thereof, including, without limitation, environmental studies, site testing, traffic surveys and similar studies; (ii) all costs of acquiring, designing, constructing, renovating, equipping, and installing the Project (including architectural, engineering, legal, environmental, public approvals and supervisory services with respect to the Project); (iii) all fees, taxes, charges and other expenses for recording or filing, as the case may be, any security interest contemplated by the Bond Documents; (iv) the premium on any fee or mortgagee title insurance procured on the Land and the Improvements; (v) interest payable on the Bonds during the construction period and interest payable during such Construction Period on such interim financing as may have been secured with respect to the Project in contemplation of the issuance of the Bonds; (vi) all legal, accounting, financing, consulting and any other fees, costs and expenses incurred in connection with the preparation, printing, reproduction, authorization, issuance, execution, sale and distribution of the Bonds, and the Bond Documents and all other documents in connection herewith or therewith, with the issuance of the Bonds, with the acquisition of title to the Project and with any other transaction contemplated by the Bond Documents; (vii) the acceptance fee and annual fee and reasonable legal fees and disbursements of the Bond Trustee and Rental Bonds Trustee; (viii) reimbursement to the Company for any of the above-enumerated costs and expenses incurred in connection with the Project; (ix) costs of establishing or maintaining reserves required or permitted by the Master Rental Indenture or Master PILOT Indenture,



including, but not limited to, debt service reserve; (x) costs of issuing Bonds or costs incidental to their payment or security, including, but not limited to, fees, expenses, and costs payable, and reimbursements, under Enhancement Facilities; (xi) capitalized interest on Bonds; (xii) Reimbursement Payments; (xiii) amounts reimbursed by the Company to the Partnership for costs actually paid by the Partnership to unrelated third parties, under the Development Agreement and Architect's Agreement and (xiv) payment of principal, interest, and redemption, tender or purchase price of any (a) Bonds issued by the Agency for the payment of any Project Costs, (b) Bonds issued to refund other Bonds, or (c) any other bonds, notes, or other evidences of indebtedness issued by the Agency for purposes of the Act. Notwithstanding the foregoing, Project Costs shall not include (1) depreciation or obsolescence charges or reserves therefor, (2) amortization of intangibles or other bookkeeping entries of a similar nature; or (3) any costs of the Agency relating to a Separately Financed Program.

**“Project Documents”** means the Construction Agreements, the PILOT Documents and the Lease Documents.

**“Purchase Price”** means, with respect to any Bond, 100% of the principal amount thereof plus accrued and unpaid interest, if any, plus, in the case of a Bond subject to mandatory tender for purchase on a date when such Bond is also subject to optional redemption at a premium, an amount equal to the premium that would be payable on such Bond if redeemed on such date.

**“Purchasing Rep”** means an individual designated by the Landlord to act as Landlord's representative for all purchases to be made pursuant to Section 4.04(b) of the Lease Agreement.

**“Qualified Investments”** means and includes any of the following obligations to the extent they are at the time legal for investment of such funds pursuant to any applicable provision of law; provided, however, that for each Fund, Account and subaccount established from time to time under the PILOT Indenture and held by the Bond Trustee solely for the benefit of the Holders of the Series 2009A PILOT Bonds, “Qualified Investments” means and includes any of the obligations set forth in Part II of this definition to the extent they are at the time legal for investment of such funds pursuant to any applicable provision of law; and provided, further, however, that for each Fund, Account and subaccount established from time to time under the PILOT Indenture and held by the Bond Trustee solely for the benefit of the Holders of the Series 2020 PILOT Bonds, “Qualified Investments” means and includes any of the obligations set forth in Part III of this definition to the extent they are at the time legal for investment of such funds pursuant to any applicable provision of law.

*Qualified Investments – Part I:*

(i) Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America (“**U.S. Government Securities**”).

(ii) Direct obligations<sup>1</sup> of the following federal agencies which are fully guaranteed by the full faith and credit of the United States of America:

---

<sup>1</sup> The following are explicitly excluded from the securities enumerated in (ii):

(1) All derivative obligations, including without limitation inverse floaters, residuals, interest-only, principal-only and range notes;

*(Footnote continued on next page)*

- (A) Export-Import Bank of the United States – Direct obligations and fully guaranteed certificates of beneficial interest.
- (B) Federal Housing Administration – debentures.
- (C) General Services Administration - participation certificates.
- (D) Government National Mortgage Association (“**GNMAs**”) – guaranteed mortgage-backed securities and guaranteed participation certificates.
- (E) Small Business Administration – guaranteed participation certificates and guaranteed pool certificates.
- (F) U.S. Department of Housing & Urban Development – local authority bonds.
- (G) U.S. Maritime Administration - guaranteed Title XI financings.
- (H) Washington Metropolitan Area Transit Authority – guaranteed transit bonds.

(iii) Direct obligations<sup>1</sup> of the following federal agencies which are not fully guaranteed by the faith and credit of the United States of America:

- (A) Federal National Mortgage Association (“**FNMA**s”).
- (B) Federal Home Loan Mortgage Corporation (“**FHLM**Cs”) – participation certificates and senior debt obligations.
- (C) Federal Home Loan Banks – consolidated debt obligations.
- (D) Student Loan Marketing Association – debt obligations.
- (E) Resolution Funding Corporation – debt obligations.

(iv) Direct, general obligations of any state of the United States of America or any subdivision or agency thereof whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody’s and A or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody’s and A or better by S&P.

(v) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, P-1 by Moody’s and A-1 or better by S&P.

(vi) Certificates of deposit, savings accounts, deposit accounts or money market deposits in amounts that are continuously and fully insured by the Federal Deposit Insurance Corporation (“**FDIC**”), including the Bank Insurance Fund and the Savings Association Insurance Fund.

(vii) Certificates of deposit, deposit accounts, federal funds or bankers’ acceptances (in each case having maturities of not more than 365 days following the date of purchase) of any domestic commercial bank or United States branch office of a foreign bank, provided that such bank’s short-term certificates of deposit are rated P-1 by Moody’s and A-1 or better by S&P (not considering holding company ratings).

---

*(Footnote continued from previous page)*

- (2) Obligations that have a possibility of returning a zero or negative yield if held to maturity;
- (3) Obligations that do not have a fixed par value or those whose terms do not promise a fixed dollar amount at maturity or call date; and
- (4) Collateralized Mortgage-Backed Obligations (“**CMOs**”).

- (viii) Investments in money-market funds rated AAAm or AAAm-G by S&P.
- (ix) State-sponsored investment pools rated AA- or better by S&P.
- (x) Repurchase agreements that meet the following criteria:
  - (A) A master repurchase agreement or specific written repurchase agreement, substantially similar in form and substance to the Public Securities Association or Bond Market Association master repurchase agreement, governs the transaction.
  - (B) Acceptable providers shall consist of (1) registered broker/dealers subject to Securities Investors' Protection Corporation ("**SIPC**") jurisdiction or commercial banks, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed rating of A3/P-1 or better by Moody's or A-/A-1 or better by S&P, or (2) domestic structured investment companies approved by the Bond Insurer, if any, and rated Aaa by Moody's and AAA by S&P.
  - (C) The repurchase agreement shall require termination thereof if the counterparty's ratings are suspended, withdrawn or fall below A3 or P-I from Moody's and A- or A-1 from S&P. Within thirty (30) days, the counterparty shall repay the principal amount plus any accrued and unpaid interest on the investments.
  - (D) The repurchase agreement shall limit acceptable securities to U.S. Government Securities. The fair market value of the securities in relation to the amount of the repurchase obligation, including principal and accrued interest, is equal to a collateral level of at least 104% for U.S. Government Securities. The repurchase agreement shall require (1) the Bond Trustee or the Agent to value the collateral securities no less frequently than weekly, (2) the delivery of additional securities if the fair market value of the securities is below the required level on any valuation date, and (3) liquidation of the repurchase securities if any deficiency in the required percentage is not restored within two (2) business days of such valuation.
  - (E) The repurchase securities shall be delivered free and clear of any lien to the bond trustee (herein, the "**Bond Trustee**") or to an independent third party acting solely as agent ("**Agent**") for the Bond Trustee, and such Agent is (1) a Federal Reserve Bank, or (2) a bank which is a member of the FDIC and which has combined capital, surplus and undivided profits or, if appropriate, a net worth, of not less than \$50 million, and the Bond Trustee shall have received written confirmation from such third party that such third party holds such securities, free and clear of any lien, as agent for the Bond Trustee.
  - (F) A perfected first security interest in the repurchase securities shall be created for the benefit of the Bond Trustee, and the Issuer and the Bond Trustee shall receive an opinion of counsel as to the perfection of the security interest in such repurchase securities and any proceeds thereof.
  - (G) The repurchase agreement shall have a term of ten years or less, or shall be due on demand.
  - (H) The repurchase agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the repurchase securities, unless the Bond Insurer, if any, directs otherwise:
    - (1) insolvency of the broker/dealer or commercial bank serving as the counterparty under the repurchase agreement;

- (2) failure by the counterparty to remedy any deficiency in the required collateral level or to satisfy the margin maintenance call under item (x)(D) above; or
- (3) failure by the counterparty to repurchase the repurchase securities on the specified date for repurchase.

(xi) Investment agreements (also referred to as guaranteed investment contracts) that meet the following criteria:

- (A) A master agreement or specific written investment agreement governs the transaction.
- (B) Acceptable providers of uncollateralized investment agreements shall consist of (1) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least Aa2 by Moody's and AA by S&P; (2) domestic insurance companies rated Aaa by Moody's and AAA by S&P; and (3) domestic structured investment companies approved by the Bond Insurer, if any, and rated Aaa by Moody's and AAA by S&P.
- (C) Acceptable providers of collateralized investment agreements shall consist of (1) registered broker/dealers subject to SIPC jurisdiction, if such broker/dealer has an uninsured, unsecured and unguaranteed rating of AI or better by Moody's and A+ or better by S&P; (2) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least AI by Moody's and A+ by S&P; (3) domestic insurance companies rated at least AI by Moody's and A+ by S&P; (4) domestic structured investment companies approved by the Bond Insurer, if any, and rated Aaa by Moody's and AAA by S&P and (5) if any Bonds are or will be insured as to the payment of principal and interest by a policy of insurance issued by a Bond Insurer, such other provider that is acceptable to all of the Bond Insurers then providing insurance. Required collateral levels shall be as set forth in (xi)(F) below.
- (D) The investment agreement shall provide that if the provider's ratings fall below Aa3 by Moody's or AA- by S&P, the provider shall within ten (10) days either (1) repay the principal amount plus any accrued and interest on the investment; or (2) deliver Permitted Collateral as provided below.
- (E) The investment agreement must provide for termination thereof if the provider's ratings are suspended, withdrawn or fall below A3 from Moody's or A- from S&P. Within ten (10) days, the provider shall repay the principal amount plus any accrued interest on the agreement, without penalty to the Issuer.
- (F) The investment agreement shall provide for the delivery of collateral described in (1) or (2) below ("**Permitted Collateral**") which shall be maintained at the following collateralization levels at each valuation date:
  - (1) U.S. Government Securities at 104% of principal plus accrued interest; or
  - (2) Obligations of GNMA, FNMA, FHLMC, or Federal Home Loan Bank (described in (ii)(D), (iii)(A), (iii)(B) and (iii)(C) above) at 105% of principal and accrued interest.
- (G) The investment agreement shall require the Bond Trustee or Agent to determine the market value of the Permitted Collateral not less than weekly and notify the investment agreement provider on the valuation day of any deficiency. Permitted Collateral may be released by the Bond Trustee to the provider only to the extent

that there are excess amounts over the required levels. Market value, with respect to collateral, maybe determined by any of the following methods:

- (1) the last quoted “bid” price as shown in Bloomberg, Interactive Data Systems, Inc., The Wall Street Journal or Reuters;
  - (2) valuation as performed by a nationally recognized pricing service, whereby the valuation method is based on a composite average of various bid prices; or
  - (3) the lower of two bid prices by nationally recognized dealers. Such dealers or their parent holding companies shall be rated investment grade and shall be market makers in the securities being valued.
- (H) Securities held as Permitted Collateral shall be free and clear of all liens and claims of third parties, held in a separate custodial account and registered in the name of the Bond Trustee or the Agent.
- (I) The provider shall grant the Bond Trustee or the Agent a perfected first security interest in any collateral delivered under an investment agreement. For investment agreements collateralized initially and in connection with the delivery of Permitted Collateral under (xi)(F) above, the Bond Trustee and the Bond Insurer, if any, shall receive an opinion of counsel as to the perfection of the security interest in the collateral.
- (J) The investment agreement shall provide that moneys invested under the agreement must be payable and putable at par to the Bond Trustee without condition, breakage fee or other penalty, upon not more than two (2) business days’ notice, or immediately on demand for any reason for which the funds invested may be withdrawn from the applicable fund or account established under the authorizing document, as well as the following:
- (1) In the event of a deficiency in the debt service account;
  - (2) Upon acceleration after an event of default;
  - (3) Upon refunding of the bonds in whole or in part;
  - (4) Reduction of the debt service reserve requirement for the bonds; or
  - (5) If a determination is later made by a Nationally Recognized Bond Counsel that investments must be yield-restricted.

Notwithstanding the foregoing, the agreement may provide for a breakage fee or other penalty that is payable in arrears and not as a condition of a draw by the Bond Trustee if the Issuer’s obligation to pay such fee or penalty is subordinate to its obligation to pay debt service on the bonds and to make deposits to the debt service reserve fund.

- (K) The investment agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the investment securities:
- (1) Failure of the provider or the guarantor (if any) to make a payment when due or to deliver Permitted Collateral of the character, at the times or in the amounts described above;
  - (2) Insolvency of the provider or the guarantor (if any) under the investment agreement;

- (3) Failure by the provider to remedy any deficiency with respect to required Permitted Collateral;
- (4) Failure by the provider to make a payment or observe any covenant under the agreement;
- (5) The guaranty (if any) is terminated, repudiated or challenged; or
- (6) Any representation or warranty furnished to the Bond Trustee or the Issuer in connection with the agreement is false or misleading.

(L) The investment agreement must incorporate the following general criteria:

- (1) “Cure periods” for payment default shall not exceed two (2) business days; The agreement shall provide that the provider shall remain liable for any deficiency after application of the proceeds of the sale of any collateral, including costs and expenses incurred by the Bond Trustee or the Bond Insurer, if any;
- (2) Neither the agreement or guaranty agreement, if applicable, may be assigned (except to a provider that would otherwise be acceptable under these guidelines) or amended without the prior consent of the Bond Insurer, if any;
- (3) If the investment agreement is for a debt service reserve fund, reinvestments of funds shall be required to bear interest at a rate at least equal to the original contract rate;
- (4) The provider shall be required to immediately notify the Bond Insurer, if any, and the Bond Trustee of any event of default or any suspension, withdrawal or downgrade of the provider’s ratings;
- (5) The agreement shall be unconditional and shall expressly disclaim any right of set-off or counterclaim;
- (6) The agreement shall require the provider to submit information reasonably requested by the Bond Insurer, if any, including balance invested with the provider, type and market value of collateral and other pertinent information.

(xii) Forward delivery agreements in which the securities delivered mature on or before each interest payment date (for debt service or debt service reserve funds) or draw down date (construction funds) that meet the following criteria:

- (A) A specific written investment agreement governs the transaction.
- (B) Acceptable providers shall be limited to (1) any registered broker/dealer subject to the Securities Investors’ Protection Corporation jurisdiction, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated A3/P-1 or better by Moody’s and A-IA-1 or better by S&P; (2) any commercial bank insured by the FDIC, if such bank has an uninsured, unsecured and unguaranteed obligation rated A3/P-I or better by Moody’s and A-/A-I or better by S&P; and (3) domestic structured investment companies approved by the Bond Insurer, if any, and rated Aaa by Moody’s and AAA by S&P.
- (C) The forward delivery agreement shall provide for termination or assignment (to a qualified provider hereunder) of the agreement if the provider’s ratings are suspended, withdrawn or fall below A3 or P-1 from Moody’s or A- or A-1 from S&P. Within ten (10) days, the provider shall fulfill any obligations it may have

with respect to shortfalls in market value. There shall be no breakage fee payable to the provider in such event.

- (D) Permitted securities shall include the investments listed in (i), (ii) and (iii) above.
- (E) The forward delivery agreement shall include the following provisions:
  - (1) The permitted securities must mature at least one (1) business day before a debt service payment date or scheduled draw. The maturity amount of the permitted securities must equal or exceed the amount required to be in the applicable fund on the applicable valuation date.
  - (2) The agreement shall include market standard termination provisions, including the right to terminate for the provider's failure to deliver qualifying securities or otherwise to perform under the agreement. There shall be no breakage fee or penalty payable to the provider in such event.
  - (3) Any breakage fees shall be payable only on debt service payment dates and shall be subordinated to the payment of debt service and debt service reserve fund replenishments.
  - (4) The provider must submit at closing a bankruptcy opinion to the effect that upon any bankruptcy, insolvency or receivership of the provider, the securities will not be considered to be a part of the provider's estate, and otherwise acceptable to the Bond Insurer, if any.
  - (5) The agreement may not be assigned (except to a provider that would otherwise be acceptable under these guidelines) or amended without the prior written consent of the Bond Insurer, if any.

(xiii) Forward delivery agreements in which the securities delivered mature after the funds may be required but provide for the right of the Issuer or the Bond Trustee to put the securities back to the provider under a put, guaranty or other hedging arrangement, only with the prior written consent of the Bond Insurer, if any.

(xiv) Maturity of investments shall be governed by the following:

- (A) Investments of monies (other than reserve funds) shall be in securities and obligations maturing not later than the dates on which such monies will be needed to make payments.
- (B) Investments shall be considered as maturing on the first date on which they are redeemable without penalty at the option of the holder or the date on which the Bond Trustee may require their repurchase pursuant to repurchase agreements.
- (C) Investments of monies in reserve funds not payable upon demand shall be restricted to maturities of five years or less.

(xv) Such other obligations or securities that are non-callable and that are acceptable to each Rating Agency and Bond Insurer, if any.

Qualified Investments – Part II:

(i) (A) Cash (fully insured by the Federal Deposit Insurance Corporation), (B) Direct obligations other than an obligation subject to variation in principal repayment) of the United States of America (“U.S. Treasury Obligations”), (C) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (D) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or

instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (E) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated. **THE ABOVE REFERENCED OBLIGATIONS MAY CONSTITUTE DEFEASANCE SECURITIES FOR THE SERIES 2009A PILOT BONDS.**

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

- (ii) Federal Housing Administration debentures.
- (iii) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
  - (A) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);
  - (B) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;
  - (C) Federal Home Loan Banks (FHL Banks) consolidated debt obligations; and
  - (D) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts).
- (iv) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 365 days) of any bank the short-term obligations of which are rated "A-1+" or better by S&P and "Prime-1" by Moody's.
- (v) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks which have capital and surplus of at least \$15 million.
- (vi) Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.
- (vii) Money market funds rated "Aam" or "AAM-G" by S&P, or better and if rated by Moody's rated "Aa2" or better.
- (viii) "State Obligations", which means:
  - (A) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated at least "A3" by Moody's and at least "A-" by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.



- (B) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated “A-1+” by S&P and “MIG-1” by Moody’s.
- (C) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (b) above and rated “AA-” or better by S&P and “Aa3” or better by Moody’s.

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

- (A) The municipal obligations are (1) not subject to redemption prior to maturity or (2) the Bond Trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the Issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;
- (B) The municipal obligations are secured by cash or U.S. Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;
- (C) The principal of and interest on the U.S. Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“**Verification Report**”);
- (D) The cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or Bond Trustee in trust for owners of the municipal obligations;
- (E) No substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report; and
- (F) The cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the Bond Trustee or escrow agent.

(x) Repurchase agreements: with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “A-” by S&P or “A3” Moody’s; or (2) any broker-dealer with “retail customers” or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A-” by S&P or “A3” by Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated at least “A-” by S&P or “A3” by Moody’s and acceptable to the Bond Insurer, if any (each an “**Eligible Provider**”), provided that:

- (A) (i) Permitted collateral shall include the investments under (i), (ii) and (iii) within the definition of “Qualified Investments – Part II” hereinabove, and (ii) collateral levels must be at least 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA’s and 104% of the total principal when the collateral type is FNMA and FHLMC (“**Eligible Collateral**”);

- (B) The Bond Trustee or a third party acting solely as agent therefore or for the Issuer (the “**Custodian**”) has possession of the collateral or the collateral has been transferred to the Custodian in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books) and such collateral shall be marked to market;
- (C) The collateral shall be marked to market on a weekly basis and the provider or Custodian shall send monthly reports to the Bond Trustee, the Issuer and the Bond Insurer, if any setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;
- (D) The repurchase agreement (or guaranty, if applicable) may not be assigned or amended without the prior written consent of the Bond Insurer, if any;
- (E) The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof; and
- (F) The repurchase agreement shall provide that if during its term the provider’s rating by either Moody’s or S&P is withdrawn or suspended or falls below “A-” by S&P and “A3” by Moody’s, as appropriate, the provider must, notify the Issuer, the Bond Trustee and the Bond Insurer, if any, within five (5) days of receipt of such notice. Within thirty (30) days of receipt of such notice, the provider shall either: (i) provide a written guarantee acceptable to the Bond Insurer, if any, or (ii) assign the agreement to an Eligible Provider. If the provider does not perform a remedy within thirty (30) days, the provider shall, at the direction of the Bond Trustee (who shall give such direction if so directed by the Bond Insurer, if any) repurchase all collateral and terminate the repurchase agreement, with no penalty or premium to the Issuer or the Bond Trustee.

(xi) Investment agreements: with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least “AA-” by S&P or “Aa3” by Moody’s, and acceptable to the Bond Insurer, if any (each an “**Eligible Provider**”); provided that:

- (A) Interest payments are to be made to the Bond Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the applicable Series of Bonds;
- (B) The invested funds are available for withdrawal for a debt service deficiency without penalty or premium, at any time upon not more than seven (7) days’ prior notice; the Issuer and the Bond Trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;
- (C) The provider shall send monthly reports to the Bond Trustee, the Issuer and the Bond Insurer, if any, setting forth the balance the Issuer or Bond Trustee has

invested with the provider and the amounts and dates of interest accrued and paid by the provider;

- (D) The investment agreement shall state that is an unconditional and general obligation of the provider, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks *pari passu* with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;
- (E) The investment agreement (or guaranty, if applicable) may not be assigned or amended without the prior written consent of the Bond Insurer, if any;
- (F) The Issuer, the Bond Trustee and the Bond Insurer, if any, shall receive an opinion of domestic counsel to the provider that such investment agreement is legal, valid, binding and enforceable against the provider in accordance with its terms;
- (G) The Issuer, the Bond Trustee and the Bond Insurer, if any, shall receive an opinion of foreign counsel to the provider (if applicable) that (i) the investment agreement has been duly authorized, executed and delivered by the provider and constitutes the legal, valid and binding obligation of the provider, enforceable against the provider in accordance with its terms, (b) the choice of law of the state set forth in the investment agreement is valid under that country's laws and a court in such country would uphold such choice of law, and (c) any judgment rendered by a court in the United States would be recognized and enforceable in such country;
- (H) The investment agreement shall provide that if during its term:
  - i. The provider's rating by either S&P or Moody's falls below "A-" or "A3", the provider shall, at its option, within thirty (30) days of receipt of publication of such downgrade, either (i) provide a written guarantee acceptable to the Bond Insurer, if any, (ii) post Eligible Collateral with the Issuer, the Bond Trustee or a third party acting solely as agent therefore (the "**Custodian**") free and clear of any third party liens or claims, or (iii) assign the agreement to an Eligible Provider, or (iv) repay the principal of and accrued but unpaid interest on the investment;
  - ii. The provider's rating by S&P and Moody's is withdrawn or suspended or falls below "A-" and "A3", the provider must, at the direction of the Issuer or the Bond Trustee (who shall give such direction if so directed by the Insurer), within thirty (30) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer or Bond Trustee.
- (I) In the event the provider is required to collateralize, permitted collateral shall include the investments under (i), (ii) and (iii) within the definition of "Qualified Investments – Part II" hereinabove (no collateralized mortgage obligations shall be permitted for these providers) and collateral levels must be 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA's and 104% of the total principal when the collateral type is FNMA and FHLMC ("**Eligible Collateral**"). In addition, the

collateral shall be marked to market on a weekly basis and the provider or Custodian shall send monthly reports to the Bond Trustee, the Issuer and the Bond Insurer, if any setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

- (J) The investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof; and
- (K) The investment agreement must provide that if during its term: (i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer or the Bond Trustee (who shall give such direction if so directed by the Bond Insurer, if any), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Bond Trustee, as appropriate, and (ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("**event of insolvency**"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Bond Trustee, as appropriate.

Qualified Investments – Part III:

(i) Bonds, notes and other evidences of indebtedness of any State or any agency thereof and securities unconditionally guaranteed as to payment of principal and interest by such State, if the unsecured general obligations such State are rated at least "A3" by Moody's and "A-" by S&P;

(ii) U.S. Government Obligations;

(iii) Farm Credit System consolidated system-wide bonds and notes; Federal Home Loan Bank consolidated debt obligations; Federal Home Loan Mortgage Corporation; and Federal National Mortgage Association senior debt obligations and mortgage-backed securities (excluding stripped mortgage-backed securities purchased at prices exceeding their principal amounts);

(iv) Repurchase agreements with financial institutions rated in the "A" category or higher without regard to qualifiers, for such obligations specified in paragraphs (i), (ii) and (iii) above;

(v) Savings accounts, time deposits, certificates of deposit or other interest-bearing accounts in any bank (including the Bond Trustee) within the State, or without the State having capital and surplus of not less than \$25,000,000, provided such investment is not then prohibited by the laws of the Commonwealth and is either (i) fully insured by the Federal Deposit Insurance Corporation or similar federal agency or (ii) with a bank the short-term obligations of which are rated at least "A-1+" by S&P and at least "Prime-1" by Moody's and provided, further, that no such deposits made under this paragraph (v) shall be made for any period in excess of one year;

(vi) Commercial paper, with a maturity of 270 days or less, of issuing corporations organized under the laws of the United States or of any state thereof, including paper issued by banks and bank holding companies, and rated at least "Prime-1" by Moody's and rated at least "A-1+" by S&P or rated by their corporate successors, within their comparable ratings;

(vii) Shares of an open-end, diversified investment company registered under the Investment Company Act of 1940, as amended, or of a mutual fund or a common trust fund of the Bond Trustee, in any of which cases, which (a) invests its assets solely in obligations of or guaranteed by the United States of America or any instrumentality thereof having in each instance a final maturity date of less than one year from their date of purchase; (b) seeks to maintain a constant net asset value per share; (c) has aggregate net assets of not less than \$25,000,000 on the date of purchase of such shares; and (d) is rated at least “Aam” or “AAm-G” or better by S&P and, if rated by Moody’s, at least “Aa2” or better including, but not limited to, a registered investment company described herein for which the Bond Trustee or an affiliate of the Bond Trustee serves as an investment advisor and receives compensation from such investment company for that service;

(viii) Any money market or short-term investment fund investing in or consisting solely of investments described in (ii) and (iii) above, including, funds maintained by the Bond Trustee, or for which the Bond Trustee, its affiliates or subsidiaries provide investment advisory or other management services;

(ix) Investment agreements (Guaranteed Investment Contracts) with financial institutions rated in the “A” category or higher without regard to qualifiers; and/or

(x) Any other investment approved by the Bondholder.

**“Qualified Swap”** means, to the extent from time to time permitted by law, with respect to Bonds, (a) any financial arrangement (i) which is entered into by the Agency with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar, forward rate, future rate, swap (such swap may be based on an amount equal either to the principal amount of such Bonds of the Agency as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Bonds), asset, index, price or market-linked transaction or agreement, other exchange or rate protection transaction agreement, other similar transaction (however designated), or any combination thereof, or any option with respect to any of the foregoing, executed by the Agency, and (iii) which has been designated as a Qualified Swap with respect to such Bonds in a written determination signed by an Authorized Representative of the Agency and filed with the Bond Trustee, and (b) any letter of credit, line of credit, policy of insurance, surety bond, guarantee or similar instrument securing the obligations of the Agency under any financial arrangement described in clause (a) above.

**“Qualified Swap Provider”** means an entity whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are rated at the time of the execution of such Qualified Swap either (i) at least as high as the third highest Rating Category of each Rating Agency then maintaining a rating for the Qualified Swap Provider, but in no event lower than any Rating Category designated by any such Rating Agency for the Bonds subject to such Qualified Swap, or (ii) any such lower Rating Categories which each such Rating Agency indicates in writing to the Agency and the applicable Trustee will not, by itself, result in a reduction or withdrawal of its rating on the Outstanding Bonds subject to such Qualified Swap that is in effect prior to entering into such Qualified Swap.

**“Qualified Trustee”** has the meaning set forth in the definition of “Institutional Lender.”

**“Qualified Workforce Program”** means a training or workforce development program that serves youth, disadvantaged populations or traditionally hard-to-employ populations and that has been determined to be a Qualified Workforce Program by the Director of the Mayor’s Office of Workforce Development.

**“Rating Agency”** means each nationally-recognized securities rating agency then maintaining a rating on the PILOT Bonds or the Rental Bonds, as the case may be, at the request of the Agency.

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

**“Rating Confirmation Notice”** means a notice from Moody’s, S&P or Fitch, as appropriate, confirming that the current unenhanced rating on the Outstanding PILOT Bonds or Outstanding Rental Bonds, as applicable, will not be lowered or withdrawn as a result of the action proposed to be taken.

**“Real Property Law of the State”** means the Real Property Law of the State of New York.

**“Rebate Amount”** means the amount determined in accordance with the Tax Certificate.

**“Recognition Agreement”** or **“RNDA”** means the Second Amended and Restated Recognition, Non-Disturbance and Attornment Agreement dated as of July 1, 2009, between the Company and the City, which was recorded in the City Register.

**“Recognized Mortgage”** means a Mortgage (or Mortgages) (i) that is (x) held by an Institutional Lender (or a corporation or other entity wholly owned by an Institutional Lender, or the assignee of a Mortgage originated by an Institutional Lender, provided the assignee is not a Prohibited Person) or (y) after Substantial Completion, held by any Person other than a Prohibited Person; (ii) which shall comply with the provisions of Article 17 of the Lease Agreement and Article IX of the Ground Lease, as applicable; (iii) a photostatic copy of which has been delivered to the Ground Lease Landlord or the Lease Agreement Landlord, as applicable, together with a certification by the tenant under the applicable lease and the Mortgagee confirming that the photostatic copy is a true copy of the Mortgage and giving the name and post office address of the holder thereof; (iv) which is recorded or being delivered for recording in the City Register, and (v) prior to Substantial Completion only, the proceeds of which are applied exclusively to the improvement, maintenance, operation and repair of the Stadium or to the reconstruction of the Stadium or the construction of a new stadium on the Premises after a casualty or any takeout of a loan the proceeds of which were applied exclusively to such purposes. The PILOT Mortgages and the Rental Mortgages are stipulated to be Recognized Mortgages.

**“Recognized Mortgagee”** means the holder of a Recognized Mortgage.

**“Redemption Date”** means the date fixed for redemption of Bonds subject to redemption in any notice of redemption given in accordance with the terms of a Supplemental PILOT Indenture or Supplemental Rental Indenture, as the case may be.

**“Redemption Price”** means, with respect to any Bond or a portion thereof, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, plus interest accrued to the Redemption Date, if any, payable upon redemption thereof pursuant to such Bond or the Master PILOT Indenture or the Master Rental Indenture, as applicable, or such price as may be specified in a Supplemental PILOT Indenture or Supplemental Rental Indenture.

**“Refunded Rental Bonds”** means the Rental Bonds to be refunded with the proceeds of Refunding Rental Bonds.

**“Refunding PILOT Bonds”** means one or more Series of Refunding PILOT Bonds that may be issued at any time to refund Outstanding PILOT Bonds or Parity Debt. Refunding PILOT Bonds shall be issued in a principal amount sufficient, together with other monies available therefor, to accomplish such refunding and to make the deposits in the Funds and Accounts under the Master PILOT Indenture required by the provisions of the Supplemental PILOT Indenture authorizing such Refunding PILOT Bonds.

**“Refunding Rental Bonds”** means one or more Series of Refunding Rental Bonds that may be issued at any time to refund Outstanding Rental Bonds or Parity Debt. Refunding Rental Bonds shall be issued in a principal amount sufficient, together with other monies available therefor, to accomplish such refunding and to make the deposits in the Funds and Accounts under the Master Rental Indenture required by the provisions of the Supplemental Rental Indenture authorizing such Refunding Rental Bonds.

**“Registrar”** means any registrar for the Bonds of any Series and its successor or successors and any other Person which may at any time be substituted in its place pursuant to the Master PILOT Indenture or the Master Rental Indenture.

**“Regular MLB Season”** means the regular Major League Baseball season and shall not include any playoff or World Series games.

**“Regularly Scheduled Swap Payments”** means those payments to be made by or to the Agency at regularly scheduled intervals or on regularly scheduled dates pursuant to a Qualified Swap and shall, for the purpose of determining amounts due and amounts to be deposited in either the PILOT Bonds Bond Fund, the Rental Bonds Bond Fund, the PILOT Bonds Subordinated Bond Fund or the Rental Bonds Subordinated Bond Fund, as applicable, include any accrued but unpaid Regularly Scheduled Swap Payments, including any interest due on such unpaid amounts.

**“Reimbursed Party”** means any beneficiary of any Reimbursement Obligations in connection with the PILOT Bonds or the Rental Bonds.

**“Reimbursement Certification”** means a certification which shall be submitted to the PILOT Trustee by the Reimbursed Party no fewer than ten (10) Business Days prior to the date of the deposit to the Debt Service and Reimbursement Fund required by Section 6(c)(i) of the PILOT Assignment, and which shall be approved in writing by the Agency prior to such submission to the PILOT Trustee, which Reimbursement Certification shall include such information regarding the time, place and method of payment of such Reimbursement Payments as shall be reasonably necessary to permit the PILOT Trustee to make the Reimbursement Payments as directed.

**“Reimbursement Date”** means each date on which a Reimbursement Payment is required to be paid.

**“Reimbursement Obligation”** has the meaning specified in Section 3.12(d) of the Master PILOT Indenture and Section 3.12(d) of the Master Rental Indenture.

**“Reimbursement Payment”** means an amount relating to a Reimbursement Obligation required to be paid pursuant to the applicable arrangements between the Agency and the Reimbursed Party.

**“Related Community Infrastructure”** means the construction and improvement of facilities surrounding the New Stadium, including park improvements and parking improvements.

**“Rental Payments”** means certain rent payments to be made by the Company under Article 3 of the Lease Agreement.

**“Rental”** means all of the amounts payable by Tenant pursuant to the Lease Agreement (including without limitation amounts payable by cross reference to other agreements), including, without limitation, Base Rent, Additional Rent, and any other sums, costs, expenses or deposits which Tenant is obligated, pursuant to any of the provisions of the Lease Agreement, to pay and/or deposit, but excluding PILOTs.

**“Rental Bond Documents”** means the Rental Bonds, the Rental Indenture, the Rental Mortgage, the Subordination of Mortgage, the Partial Rent Assignment, the Rental Mortgage Assignment and the Rental SNDA.

**“Rental Bond Fees”** means the periodic fees of any Persons (other than employees of the Agency or any Affiliate thereof) required to facilitate any variable or auction rate program relating to the Rental Bonds (such as an auction agent, broker-dealer, market agent or remarketing agent).

**“Rental Bond Registrar”** means the Rental Bonds Trustee acting as registrar as provided in Section 3.10 of the Master Rental Indenture.

**“Rental Bond Trustee”** or **“Rental Bonds Trustee”** means The Bank of New York Mellon, as Trustee under the Master Rental Indenture and its successors in such capacity.

**“Rental Bondholder”** means a holder of Rental Bonds.

**“Rental Bonds”** means one or more series of federally taxable bonds issued by the Agency pursuant to the Rental Indenture.

**“Rental Bonds Administrative Cost Account”** means the Account by that name established in the Rental Bonds Project Fund by the Master Rental Indenture.

**“Rental Bonds Bond Fund”** means the Fund by that name established by the Master Rental Indenture.

**“Rental Bonds Capitalized Interest Account”** means the Account by that name established in the Rental Bonds Project Fund by the Master Rental Indenture.

**“Rental Bonds Construction and Acquisition Account”** means the Account by that name established in the Rental Bonds Project Fund by the Master Rental Indenture.

**“Rental Bonds Costs of Issuance Account”** means the Account by that name established in the Rental Bonds Project Fund by the Master Rental Indenture.

**“Rental Bonds Debt Service Reserve Account”** means the Account by that name established by the Rental Bonds Debt Service Reserve Fund by the Master Rental Indenture.

**“Rental Bonds Debt Service Reserve Account Requirement”** means (a) with respect to Initial Rental Bonds, an amount equal to Maximum Annual Net Debt Service on Rental Bonds; (b) with respect



to Additional Rental Bonds, the amount specified in the applicable Supplemental Rental Indenture pursuant to which such Additional Rental Bonds are issued; and (c) with respect to the Series 2009 Rental Bonds, an amount equal to the least of (i) 10% of the proceeds of the Series 2009 Rental Bonds, (ii) the maximum Debt Service due on the Series 2009 Rental Bonds in any Bond Year, and (iii) 125% of the average of the annual installments of Debt Service with respect to all Series 2009 Rental Bonds.

“**Rental Bonds Debt Service Reserve Fund**” means the Fund by that name established pursuant to the Master Rental Indenture.

“**Rental Bonds Interest Account**” means the Account by that name established in the Rental Bonds Bond Fund by the Master Rental Indenture.

“**Rental Bonds Interest Reserve Account**” means the Account by that name established in the Rental Bonds Bond Fund by the Master Rental Indenture.

“**Rental Bonds Interest Reserve Requirement**” means, if any, the amount set forth in the Supplemental Rental Indenture authorizing a Series of Rental Bonds.

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

“**Rental Bonds Prepaid Rent Account**” means the Account of that name established in the Rental Bonds Bond Fund by the Master Rental Indenture.

“**Rental Bonds Prepaid Rent Account Funding Requirement**” means, with respect to Additional Rental Bonds, the amount specified in a Supplemental Rental Indenture to be deposited into a series designated subaccount of the Rental Bonds Prepaid Rent Account of the Rental Bonds Bond Fund.

“**Rental Bonds Principal Account**” means the Account by that name established in the Rental Bonds Bond Fund by the Master Rental Indenture.

“**Rental Bonds Project Fund**” means the Fund by that name established by the Master Rental Indenture.

“**Rental Bonds Redemption Account**” means the Account by that name established in the Rental Bonds Bond Fund by the Master Rental Indenture.

“**Rental Bonds Revenue Fund**” means the Fund by that name established by the Master Rental Indenture.

“**Rental Bonds Strike Reserve Account**” means the Account by that name established in the Rental Bonds Debt Service Reserve Fund by the Master Rental Indenture.

“**Rental Bonds Strike Reserve Account Credit Facility**” means (i) any irrevocable, unconditional letter of credit issued by a bank or savings and loan association whose long-term uncollateralized debt obligations are rated in one of the two highest Rating Categories by each Rating Agency, or if no Series of Bonds is then rated, by any nationally-recognized securities rating agency, and (ii) any insurance policy providing substantially equivalent liquidity as an irrevocable, unconditional letter of credit, and which is issued by a municipal bond or other insurance company, obligations insured

by which are rated in one of the two highest Rating Categories by each Rating Agency, or if no Series of Bonds is then rated, by a nationally-recognized securities rating agency, and which is used, to the extent permitted under applicable law, including the Act, to fund all or a portion of the Rental Bonds Strike Reserve Account Requirement.

**“Rental Bonds Strike Reserve Account Credit Facility Provider”** means the issuer or other provider of any Rental Bonds Strike Reserve Account Credit Facility.

**“Rental Bonds Strike Reserve Account Requirement”** means (a) at the time of the issuance of the Initial PILOT Bonds, \$629,268 and (b) at the time a Series of Additional Rental Bonds are issued, the amount specified in the applicable Supplemental Rental Indenture pursuant to which such Additional Rental Bonds are issued.

**“Rental Bonds Subordinated Bond Fund”** means the Fund by that name established by the Master Rental Indenture.

**“Rental Bonds Subordinated Indebtedness”** means any Rental Bond, note or other indebtedness authorized by a resolution or Master Rental Indenture of the Agency and permitted under the Act and designated as constituting “Subordinated Indebtedness” in a certificate of an Authorized Representative of the Agency delivered to the Rental Bond Trustee, which shall be payable from the Rental Bonds Trust Estate subject and subordinate to the prior payments to be made therefrom as provided for in the Master Rental Indenture.

**“Rental Bonds Subordinated Obligation”** means any payment obligation (other than a payment obligation constituting a Subordinated Indebtedness) of the Agency incurred pursuant to the Act arising under any contract, agreement or other obligation incurred with respect to the Rental Bonds Trust Estate not constituting Bonds or Parity Debt. Subordinated Obligations may be secured by a lien on and pledge of the PILOT Bonds Trust Estate or the Rental Bonds Trust Estate, as applicable, junior and inferior to the lien on and pledge of the Rental Bonds Trust Estate created for the payment of the Rental Bonds and Parity Debt to the extent permitted by the Master Rental Indenture, and may also be payable from such other sources and additionally secured as provided by the Master Rental Indenture.

**“Rental Bonds Trust Estate”** means (i) all right, title and interest of the Agency in and to the Rental Revenues derived from payments to be made under the Lease Agreement, excluding, however, the Agency’s Unassigned Rights, which rights may be enforced by the Agency; (ii) all moneys and securities from time to time held by the Rental Bonds Trustee under the terms of the Master Rental Indenture including amounts set apart and transferred to the Rental Bonds Project Fund, the Rental Bonds Revenue Fund, the Rental Bonds Bond Fund, the Rental Bonds Debt Service Reserve Fund, the Rental Bonds Subordinated Bond Fund, or any other Fund created in accordance with the provisions under the Master Rental Indenture, and all investment earnings of any of the foregoing, subject to disbursements from the Rental Bonds Project Fund, the Rental Bonds Revenue Fund, the Rental Bonds Bond Fund, the Rental Bonds Debt Service Reserve Fund, the Rental Bonds Subordinated Bond Fund, or any such special fund in accordance with the provisions of the Master Rental Indenture; and (iii) any and all moneys or other property, of every kind and nature from time to time which was heretofore or hereafter is by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security under the Master Rental Indenture, by the Agency or by any other Person, firm or corporation with or without the consent of the Agency, to the Rental Bonds Trustee which is hereby authorized to receive any and all such property at any time and at all times to hold and apply the same subject to the terms of the Master Rental Indenture.

**“Rental Bonds Trustee”** or **“Rental Bond Trustee”** means The Bank of New York Mellon, as Trustee under the Master Rental Indenture.

**“Rental Indenture”** means the Master Rental Indenture and any Supplemental Rental Indenture.

**“Rental Mortgage”** or **“Leasehold Mortgage”** means the Original Rental Mortgage, as assigned by the Rental Mortgage Assignment and as modified by the Modification of Leasehold Rental Mortgage and the Second Modification of Leasehold Rental Mortgage.

**“Rental Mortgage Assignment”** means the Assignment of Rental Mortgage, dated as of August 1, 2006, assigned by the Agency to the Rental Bond Trustee, which was recorded in the City Register on February 5, 2007 as CRFN 2007000067679.

**“Rental Mortgage Stay Period”** means a period commencing on the date of the occurrence of an Event of Default under the Rental Mortgage and ending on the date that is six (6) months after the date of such commencement; provided that if the Rental Mortgage Stay Period expires during a Team Season, the Rental Mortgage Stay Period shall be extended to the day after the last day of such Team Season.

**“Rental Payments”** means the rental payments to be made by the Company under Article 3 of the Lease Agreement.

**“Rental Revenues”** means the Base Rent and Additional Rent received by the Rental Bonds Trustee.

**“Rental Revenues Payment Date”** means February 15 or the date on which Rental Revenues are deposited into the Rental Bonds Revenue Fund.

**“Rental SNDA”** means the Second Amended and Restated Subordination, Non-Disturbance and Attornment Agreement (Rental Mortgage), dated as of July 1, 2009, between the Partnership and the Rental Bond Trustee, and consented to by the Company, which was recorded in the City Register.

**“Required Approvals”** means all site plan, zoning, land use, subdivision, environmental, building, sewer hook up, curb cut and other permits, approvals, consents or variances which are required by Governmental Authorities in connection with the construction and equipping of the Stadium.

**“Required Special Services Rating”** has the meaning set forth in the definition of “Institutional Lender.”

**“Requirements”** means:

(i) the Zoning Resolution of The City of New York (as the same may be amended and/or replaced) (the **“Zoning Resolution”**), to the extent applicable, and any and all laws, rules, regulations, orders, ordinances, statutes, codes, executive orders, resolutions, and requirements of all Governmental Authorities (currently in force or hereafter adopted) (including without limitation any required Art Commission approval) applicable to the Premises or any sidewalk comprising a part of or lying adjacent to the Premises (including, without limitation, the federal Americans with Disabilities Act, the Building Code of New York City, and any applicable equivalent, and the laws, rules, regulations, orders, ordinances, statutes, codes and requirements of any applicable fire rating bureau or other body exercising similar functions),

(ii) any and all provisions and requirements of any property, casualty or other insurance policy required to be carried by Tenant under the Lease Agreement,

(iii) the Certificate(s) of Occupancy issued for the Premises as then in force,

(iv) MLB Actions, MLB Rules and Regulations and MLB Documents, to the extent necessary to comply with the terms, covenants and covenants made under the Lease Agreement,

(v) the Authorizing Resolution,

(vi) ULURP approvals for the Stadium Project,

(vii) Federal, State or local laws, regulations, guidelines, codes, permits, rules, administrative and judicial decisions, orders and ordinances and any other Requirements (collectively, "**Hazardous Materials Laws**") applicable to (i) the use, generation, manufacture, handling, processing, distribution, emission, discharge, release, storage, treatment, transportation, recycling and/or disposal of any Hazardous Materials including without limitation any pollutant, contaminant, toxic, explosive, corrosive, flammable, radioactive, caustic, or otherwise hazardous substance, waste or material or any substance, waste or material having any constituent elements displaying any of the foregoing characteristics, including, without limitation, any substances now or hereafter defined as or included in the definition of "hazardous substance," "hazardous waste," "hazardous material," "hazardous chemical," "pollutant or contaminant," or "toxic substance" under any applicable Federal, State or local laws or regulations, (ii) the clean up or other remediation of Hazardous Materials, or (iii) the effect of the environment or Hazardous Materials on human health or natural resources,

(viii) all provisions of the Labor Law of the State applicable to the construction and equipping of the Stadium and shall include in all construction contracts all provisions which may be required to be inserted therein by such provisions. The foregoing sentence is not intended to and does not create any obligations or duties not created by applicable law outside of the terms of the Lease Agreement, and

(ix) the Act.

**"Reserve Account Credit Facility"** means (A) with respect to the Series 2006 PILOT Bonds and the Series 2009A PILOT Bonds, (i) any irrevocable, unconditional letter of credit issued by a bank or savings and loan association whose long-term uncollateralized debt obligations are rated in one of the two highest Rating Categories by any two Nationally Recognized Rating Agencies, and (ii) any insurance policy providing substantially equivalent liquidity as an irrevocable, unconditional letter of credit, and which is issued by a municipal bond or other insurance company, obligations insured by which are rated in one of the two highest Rating Categories by any two Nationally Recognized Rating Agencies, and which is used, to the extent permitted under applicable law, including the Act, to fund all or a portion of a PILOT Bonds Debt Service Reserve Account Requirement, (B) with respect to the Series 2020 PILOT Bonds, (i) any irrevocable, unconditional letter of credit issued by a bank or savings and loan association whose long-term uncollateralized debt obligations are rated in one of the three highest Rating Categories by any two Nationally Recognized Rating Agencies, and (ii) any insurance policy providing substantially equivalent liquidity as an irrevocable, unconditional letter of credit, and which is issued by a municipal bond or other insurance company, obligations insured by which are rated in one of the three highest Rating Categories by any two Nationally Recognized Rating Agencies, and which is used, to the extent permitted under applicable law, including the Act, to fund all or a portion of a PILOT Bonds Debt Service Reserve Account Requirement, or (C) with respect to Rental Bonds, (i) any irrevocable, unconditional letter of credit issued by a bank or savings and loan association whose long-term uncollateralized debt obligations are rated in one of the two highest Rating Categories by each Rating Agency, or if no Series

of Rental Bonds is then rated, by any nationally recognized rating agency, and (ii) any insurance policy providing substantially equivalent liquidity as an irrevocable, unconditional letter of credit, and which is issued by a municipal bond or other insurance company, obligations insured by which are rated in one of the two highest Rating Categories by each Rating Agency, or if no Series of Rental Bonds is then rated, by any nationally recognized rating agency, and which is used, to the extent permitted under applicable law, including the Act, to fund all or a portion of a Rental Bonds Debt Service Reserve Account Requirement, as the case may be.

**“Reserve Account Credit Facility Provider”** means the issuer or other provider of any Reserve Account Credit Facility.

**“Responsible Officer”** means with respect to the Bond Trustee and the Rental Bonds Trustee, any officer assigned to the corporate trust office of the Bond Trustee or the Rental Bonds Trustee, including, but not limited to, any managing director, principal, vice president, assistant vice president, assistant treasurer, assistant secretary or any other officer of the Bond Trustee or the Rental Bonds Trustee customarily performing functions similar to those performed by any of the above designated officers.

**“Restoration”** means a Casualty Restoration or a Condemnation Restoration.

**“Restoration Funds”** means all insurance proceeds (excluding proceeds from “contents” insurance policies carried by Lease Agreement Tenant for personal property separate and apart from the policies required under the Lease Agreement) with respect to any casualty.

**“Retail or Food Service Establishment”** means any retail store selling goods or any food services or drinking establishment providing services, in each case, primarily to members of the general public.

**“Reviewable Features”** means all Stadium features and facilities located solely on the exterior of the Stadium including without limitation Stadium configuration, color, materials, exits, entrances, walkways, plazas, landscaping, lighting, signage (including Advertising Signage to confirm compliance with the Lease Agreement) and finishes, and features relating to security, and all work whether interior or exterior, relating to the Police Substation.

**“RPTL”** means the Real Property Tax Law.

**“S&P”** means S&P Global Ratings, duly organized and existing under and by virtue of the laws of the State of New York.

**“Sales and Use Taxes”** means City and State sales and compensating use taxes and fees imposed pursuant to Article 28 or 28-A of the New York State Tax Law, as the same may be amended from time to time.

**“Sales Tax Agent Authorization Letter”** means the Sales Tax Agent Authorization Letter, substantially in the form set forth in Exhibit K – “Form of Sales Tax Agent Authorization Letter” of the Lease Agreement.

**“Sales Tax Exemption”** means an exemption from Sales and Use Taxes resulting from the Agency’s participation in the Project.

**“Sales Tax Registry”** means the Sales Tax Registry in the form set forth in Exhibit K of the Lease Agreement.

**“Sales Tax Savings”** means all Sales Tax Exemption savings realized by or for the benefit of the Company, including any savings realized by any Agent, pursuant to the Lease Agreement and each Sales Tax Agent Authorization Letter issued in connection with the Project.

**“Scheduled Completion Date”** means December 31, 2012.

**“Schematics”** means the schematic drawings and preliminary plans and specification for the Reviewable Features of the Stadium which are listed in Exhibit F to the Lease Agreement, and which have been approved by Lease Agreement Landlord to the extent covering Reviewable Features.

**“Secured Party”** means, with respect to the Leasehold Rental Mortgage, the Agency, as Mortgagee.

**“Securities Depository”** means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the PILOT Bonds and the Rental Bonds, and to effect transfers of book-entry interests in the PILOT Bonds and the Rental Bonds in book-entry form, and includes and means initially DTC, and such other securities depository as the Agency may designate in a certificate of the Agency delivered to the Bond Trustee and the Rental Bond Trustee.

**“Securitization Vehicles”** has the meaning set forth in the definition of “Institutional Lender.”

**“Second Amended and Restated Master Glossary”** means the Second Amended and Restated Master Glossary of Terms for the New York City Industrial Development Agency’s PILOT Revenue Bonds (Yankee Stadium Project) and Rental Revenue Bonds (Yankee Stadium Project) Federally Taxable, dated as of July 1, 2009.

**“Second Amended and Restated Mortgage Subordination, Standstill and Recognition Agreement”** or **“Existing Mortgage Subordination, Standstill and Recognition Agreement”** means the Second Amended and Restated Mortgage Subordination, Standstill and Recognition Agreement, dated as of July 1, 2009, between the PILOT Trustee and the Rental Bond Trustee, recorded in the City Register.

**“Second Amended and Restated Partial Rent Assignment”** or **“Partial Rent Assignment”** means the Second Amended and Restated Partial Rent Assignment dated as of July 1, 2009, by and between the Agency and the Rental Bond Trustee, and accepted by the Rental Bond Trustee, as assignee, and acknowledged by the Company, recorded in the City Register.

**“Second Amended and Restated PILOT SNDA”** means the Second Amended and Restated Subordination, Non-Disturbance and Attornment Agreement (PILOT Mortgage) dated as of September 1, 2020, between the Partnership and the PILOT Trustee, and consented to by the Company and to be recorded in the City Register.

**“Second Amended and Restated Recognition, Non-Disturbance and Recognition Agreement”** means the Second Amended and Restated Recognition, Non-Disturbance and Recognition Agreement, dated as of July 1, 2009, between the City and the Company, recorded in the City Register.

**“Second Amended and Restated Subordination, Non-Disturbance and Attornment Agreement”** means the Second Amended and Restated Subordination, Non-Disturbance and Attornment Agreement (Rental Mortgage), dated as of July 1, 2009, among the Rental Bond Trustee, the Company and the Partnership, recorded in the City Register.

**“Second Amendment to Assignment of Ticket Sale and Suite License Proceeds”** means the Second Amendment to Assignment of Ticket Sale and Suite License Proceeds, dated as of June 4, 2020, between the Partnership and the Company.

**“Second Amendment to Lease Agreement”** or **“Second Stadium Lease Amendment”** means the Second Amendment to Lease Agreement, dated as of July 1, 2009, between the Agency and the Company.

**“Second Amendment to Stadium Sublease Agreement”** or **“Second Sublease Amendment”** means the Second Amendment to Stadium Sublease Agreement, dated as of March 6, 2009, between the Company and the Partnership.

**“Second Modification of Leasehold Rental Mortgage”** or **“Existing Rental Mortgage Modification”** means the Second Modification of Leasehold Rental Mortgage, dated as of July 1, 2009, among the Company, the Issuer and the Rental Bond Trustee, recorded in the City Register.

**“Second Stadium Lease Amendment”** or **“Second Amendment to Lease Agreement”** means the Second Amendment to Lease Agreement, dated as of July 1, 2009, between the Agency and the Company.

**“Second Sublease Amendment”** or **“Second Amendment to Stadium Sublease Agreement”** means the Second Amendment to Stadium Sublease Agreement, dated as of March 6, 2009, between the Company and the Partnership.

**“Securities Act”** means the Securities Act of 1933, as amended.

**“Separately Financed Program”** means, collectively, (i) any program, project or purpose described as such in Section 2.08 of the Master PILOT Indenture or Section 2.08 of the Master Rental Indenture and (ii) any program, project or purpose of the Agency unrelated to the Project.

**“SEORA”** means the Environmental Quality Review Act of the State of New York.

**“Series”** means all Bonds designated as being of the same Series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor.

**“Series 2006 PILOT Bonds”** means the Agency’s PILOT Revenue Bonds (Yankee Stadium Project), Series 2006.

**“Series 2006 PILOT Bonds Debt Service Reserve Subaccount”** means the subaccount by that name established in the PILOT Bonds Debt Service Reserve Account of the PILOT Bonds Debt Service Reserve Fund by the First Supplemental Rental Indenture.

**“Series 2006 Rental Bonds Debt Service Reserve Subaccount”** means the subaccount by that name established in the Rental Bonds Debt Service Reserve Account of the Rental Bonds Debt Service Reserve Fund by the First Supplemental Rental Indenture.

**“Series 2006 Rental Bonds Strike Reserve Subaccount”** means the subaccount by that name established in the Rental Bonds Strike Reserve Account of the Rental Bonds Debt Service Reserve Fund by the First Supplemental Rental Indenture.

**“Series 2006 Rental Bonds”** means the Agency’s Rental Revenue Bonds (Yankee Stadium Project), Series 2006.

**“Series 2009A PILOT Bonds”** means the Agency’s PILOT Revenue Bonds (Yankee Stadium Project), Series 2009.

**“Series 2009A PILOT Bonds Debt Service Reserve Subaccount”** means the subaccount by that name established in the PILOT Bonds Debt Service Reserve Account of the PILOT Bonds Debt Service Reserve Fund by the Third Supplemental Rental Indenture.

**“Series 2009 Rental Bondholder”** means any registered holder of a Series 2009 Rental Bond, as shown on the register of Rental Bond owners maintained by the Rental Bond Registrar.

**“Series 2009 Rental Bonds”** means the Agency’s Rental Revenue Bonds, Series 2009 (Yankee Stadium Project) Federally Taxable, issued in the original principal amount of \$111,900,000.

**“Series 2009 Rental Bonds Capitalized Interest Subaccount”** means the subaccount by that name established by the Third Supplemental Rental Indenture in the Rental Bonds Capitalized Interest Account of the Rental Bonds Construction and Acquisition Account of the Rental Bonds Project Fund.

**“Series 2009 Rental Bonds Debt Service Reserve Subaccount”** means the subaccount by that name established by the Third Supplemental Rental Indenture in the Rental Bonds Debt Service Reserve Account of the Rental Bonds Debt Service Reserve Fund.

**“Series 2009 Rental Bonds Interest Subaccount”** means the subaccount by that name established by the Third Supplemental Rental Indenture in the Rental Bonds Interest Account of the Rental Bonds Bond Fund.

**“Series 2009 Rental Bonds Prepaid Rent Subaccount”** means the subaccount by that name established by the Third Supplemental Indenture in the Rental Bonds Prepaid Rent Account of the Rental Bonds Bond Fund.

**“Series 2009 Rental Bonds Principal Subaccount”** means the subaccount by that name established by the Third Supplemental Rental Indenture in the Rental Bonds Principal Account of the Rental Bonds Bond Fund.

**“Series 2009 Rental Bonds Strike Reserve Subaccount”** means the subaccount by that name established by the Third Supplemental Rental Indenture in the Rental Bonds Strike Reserve Account of the Rental Bonds Debt Service Reserve Fund.

**“Series 2009A PILOT Bonds”** means the Agency’s PILOT Revenue Bonds (Yankee Stadium Project), Series 2009A.

**“Series 2009A PILOT Bond Insurer”** or **“Assured Guaranty”** or **“Insurer”** (the last, only as used in the Official Statement relating to the Series 2009A PILOT Bonds), means Assured Guaranty Corp., a Maryland-domiciled stock insurance company, or any successor thereto.



**“Series 2020 PILOT Bonds”** means the Series 2020A PILOT Bonds and the Series 2020B PILOT Bonds.

**“Series 2020A PILOT Bonds”** means the Agency’s PILOT Revenue Refunding Bonds, Series 2020A (Yankee Stadium Project).

**“Series 2020B PILOT Bonds”** means the Agency’s PILOT Revenue Refunding Bonds, Series 2020B (Yankee Stadium Project) (Federally Taxable).

**“Series 2020 PILOT Bonds Bondholder”** means any registered holder of a Series 2020 PILOT Bond, as shown on the register of PILOT Bond owners maintained by the PILOT Bond Registrar.

**“Series 2020A PILOT Bonds Debt Service Reserve Subaccount”** means the subaccount by that name established by the Fourth Supplemental PILOT Indenture in the PILOT Bonds Debt Service Reserve Account of the PILOT Bonds Debt Service Reserve Fund.

**“Series 2020A PILOT Bonds Interest Subaccount”** means the subaccount by that name established by the Fourth Supplemental PILOT Indenture in the PILOT Bonds Interest Account of the PILOT Bonds Bond Fund.

**“Series 2020A PILOT Bonds Principal Subaccount”** means the subaccount by that name established by the Fourth Supplemental PILOT Indenture in the PILOT Bonds Principal Account of the PILOT Bonds Bond Fund.

**“Series 2020B PILOT Bonds Debt Service Reserve Subaccount”** means the subaccount by that name established by the Fourth Supplemental PILOT Indenture in the PILOT Bonds Debt Service Reserve Account of the PILOT Bonds Debt Service Reserve Fund.

**“Series 2020B PILOT Bonds Interest Subaccount”** means the subaccount by that name established by the Fourth Supplemental PILOT Indenture in the PILOT Bonds Interest Account of the PILOT Bonds Bond Fund.

**“Series 2020B PILOT Bonds Principal Subaccount”** means the subaccount by that name established by the Fourth Supplemental PILOT Indenture in the PILOT Bonds Principal Account of the PILOT Bonds Bond Fund.

**“Series 2020 PILOT Bond Insurer”** or **“AGMC”** or **“Insurer”** (the last, only as used in the Official Statement relating to the Series 2020 PILOT Bonds), means Assured Guaranty Municipal Corp., a New York insurance company, or any successor thereto.

**“Sinking Fund Installment”** means (a) with respect to a Series of Bonds, an amount so designated which is established pursuant to clause (vi) of Section 2.02 of the Master PILOT Indenture or Section 2.02 of the Master Rental Indenture, and (b), with respect to any Parity Reimbursement Obligations, the amount due thereunder as sinking fund installments payable on a parity with the Bonds attributable to any principal on Bonds purchased or otherwise paid from a related Enhancement Facility.

**“Site Affiliates”** means, collectively, all Affiliates of Tenant that lease, occupy, operate or perform work at the Facility and that have one or more direct Site Employees.

**“Site Employee”** means, with respect to any Covered Employer, any natural person who works at the Facility and who is employed by, or contracted or subcontracted to work for, such Covered Employer,

including all employees, independent contractors, contingent workers or contracted workers (including persons made available to work through the services of a temporary services, staffing or employment agency or similar entity) that are performing work on a full-time, part-time, temporary or seasonal basis; provided that the term “Site Employee” shall not include any natural person who works less than seventeen and a half (17.5) hours in any consecutive seven day period at the Facility unless the primary work location or home base of such person is at the Facility (for the avoidance of doubt, a natural person who works at least seventeen and a half (17.5) hours in any consecutive seven day period at the Facility shall thereafter constitute a Site Employee).

“**Small Business Cap**” means three million dollars; provided that, beginning in 2015 and each year thereafter, the Small Business Cap shall be adjusted contemporaneously with the adjustment to the “living wage rate” component of the LW using the methodology set forth in Section 6-134(b)(9) of the New York City Administrative Code.

“**SNDAs**” means, collectively, the PILOT SNDA and the Rental SNDA.

“**Soft Cost Breakdown**” means the breakdown of the Soft Cost by categories prepared by Tenant which is attached to the Lease Agreement.

“**Sources of Funds**” means the funds available to Tenant at any given time to complete the Project, including undisbursed bond proceeds.

“**Special Provisions**” shall mean New York General Municipal Law Section 875(1) and (3), as such provisions may be amended from time to time.

“**Specific PILOT Bonds Strike Reserve Account Credit Facility**” means a PILOT Bonds Strike Reserve Account Credit Facility pursuant to which payments will be made in respect of fewer than all PILOT Bonds and any related Parity Debt that is secured by the PILOT Bonds Strike Reserve Account. Upon the issuance of the Series 2020 PILOT Bonds and while any Series 2006 PILOT Bond and any Series 2009A PILOT Bond or a PILOT Bond of an additional Series of Additional PILOT Bonds secured by the PILOT Bonds Strike Reserve Account are Outstanding, the surety bond issued by Financial Guaranty Insurance Company simultaneously with the issuance of the Series 2006 PILOT Bonds and the surety bond issued by MBIA Insurance Corporation simultaneously with the issuance of the Series 2006 PILOT Bonds shall each be regarded as a Specific PILOT Bonds Strike Reserve Account Credit Facility.

“**Specified Contract**” means, with respect to any Person, the principal written contract that makes such Person a Covered Employer under the Lease Agreement.

“**Stadium**” or “**New Stadium**” means an approximately 1,300,000 square foot Major League Baseball stadium containing seating areas and related concession areas, ancillary structures and improvements, located in the Borough and County of The Bronx and the City and State of New York.

“**Stadium Events**” means all Team Events and all other lawful events held at the Premises, including, but not limited to, other entertainment, religious, sporting, cultural, recreational, promotional, community and civic events, such as concerts, meetings, private parties, commercial film and television shoots, conventions, auctions and tours.

“**Stadium Holdco**” or “**Holdings**” means Yankee Stadium Holdings LLC.

**“Stadium Holdco Assignment”** means the Issuer Assignment Agreement, dated as of June 4, 2020 between Stadium HoldCo and the Company.

**“Stadium Insurance”** means all insurance required to be maintained by Sublandlord pursuant to Section 8.01 of the Stadium Sublease Agreement.

**“Stadium Lease,” “Stadium Lease Agreement”** or **“Lease Agreement”** means the Lease Agreement, dated as of August 1, 2006, by and between the Agency and the Company, as amended by the First Amendment to Lease Agreement, the Second Amendment to Lease Agreement and the Third Amendment to Lease Agreement.

**“Stadium Lease Agreement,” “Stadium Lease”** or **“Lease Agreement”** means the Lease Agreement, dated as of August 1, 2006, by and between the Agency and the Company, as amended by the First Amendment to Lease Agreement, the Second Amendment to Lease Agreement and the Third Amendment to Lease Agreement.

**“Stadium Project”** means the design and development of a first class, Major League Baseball stadium, having a seating capacity of approximately 50,000 seats and related concession areas, ancillary structures and improvements, principally for use by the Team for its Team Events, excluding the Police Substation, except for such work that is the responsibility of Tenant under the express provisions of the Lease Agreement.

**“Stadium Revenues”** means any and all revenues derived from any source now or hereafter existing that are generated by and associated with the operation or use of the Stadium, including but not limited to, revenues derived from all events and activities of any kind and manner at the Premises, and consisting of, but not limited to, all cash and receivables relating to ticket sales, luxury suite license fees, food and beverages concessions, Naming Rights, club seats, personal seat licenses, novelties, memorabilia, broadcast rights, internet service and technology, club memberships, Advertising Signage and other advertising, product rights and lease or licensing fees.

**“Stadium Sublease,” Stadium Sublease Agreement”** or **“Sublease Agreement”** means the Stadium Sublease, dated as of August 1, 2006, between the Company, as Sublandlord, and the Partnership, as Subtenant, as supplemented by the Sublease Letter Agreement and as amended by the First Amendment to Stadium Sublease, the Second Amendment to Stadium Sublease and the Third Amendment to Stadium Sublease.

**“Stadium Sublease Agreement,” “Stadium Sublease”** or **“Sublease Agreement”** means the Stadium Sublease, dated as of August 1, 2006, between the Company, as Sublandlord, and the Partnership, as Subtenant, as supplemented by the Sublease Letter Agreement and as amended by the First Amendment to Stadium Sublease, the Second Amendment to Stadium Sublease and the Third Amendment to Stadium Sublease.

**“Stadium Sublease Stay Period”** means the period commencing on the date of the occurrence of a Default under the Stadium Sublease Agreement and ending on the date that is six (6) months after the date of such commencement; provided that if the Stadium Sublease Stay Period expires during a Team Season, the Stadium Sublease Stay Period shall be extended to the day after the last day of such Team Season.

**“Stadium Subtenant”** shall have the meaning given such term in the definition of Subtenant.

**“State”** means the State of New York.

**“Strike”** means (i) a players strike or work stoppage called by the Major League Baseball Players Association or any successor organization, (ii) an owners lockout of the Major League Baseball players or (iii) or an expiration or termination of the collective bargaining agreement between the Major League Baseball Players Association or any successor organization and Major League Baseball with the effect of causing the termination, suspension or cancellation of regular or postseason baseball games.

**“Strike Reserve Account Credit Facility”** means a PILOT Bonds Strike Reserve Account Credit Facility or a Rental Bonds Strike Reserve Account Credit Facility, as the case may be.

**“Strike Reserve Account Credit Facility Provider”** means the issuer or other provider of PILOT Bonds Strike Reserve Account Credit Facility or a Rental Bonds Strike Reserve Account Credit Facility, as the case may be.

**“Subaccounts”** means each account or all of the subaccounts designated, created and established in Section 5.01 of the Master PILOT Indenture, Section 5.01 the Master Rental Indenture and such accounts created pursuant to each Supplemental Indenture, as the case may be.

**“Subcontract”** means any contract, subcontract, purchase order or materials contract between the Construction Manager (or any general contractor) and a Subcontractor for the performance of certain work and/or the supplying of certain materials and any further level of subcontracting in connection with the construction and/or equipping of the Stadium or any Restoration, Capital Improvements or other Construction Work, whether performed before the commencement of the construction of the Stadium, during such construction or after Substantial Completion.

**“Subcontractor”** means any Person who has agreed to perform certain work and/or to supply certain materials in connection with the construction, improvement, Restoration and/or equipping of the Stadium under a Subcontract.

**“Sublandlord”** means the Company, as Sublandlord.

**“Sublandlord’s O&M Amount”** means the amount received by Sublandlord from the O&M Fund for payment of Operating Expenses relating to the Premises.

**“Sublease”** means any sublease or license (including a sub-sublease or sublicense or any further level of subleasing or sublicensing) applicable to the Premises or any part thereof, but shall not include any sublease or license for less than substantially all of the Stadium and where the subtenant or licensee or sublicensee thereunder is the user/occupant of space demised or licensed (it is understood and agreed that such excluded subleases, licenses and sublicenses shall include but not be limited to any lease, license, use or occupancy of any luxury box or suite, restaurant or bar). The Stadium Sublease Agreement shall not be considered a “Sublease” for purposes of Article 17 of the Lease Agreement.

**“Sublease Agreement”** or **“Stadium Sublease Agreement”** or **“Stadium Sublease”** means the Stadium Sublease, dated as of August 1, 2006, between the Company, as Sublandlord, and the Partnership, as Subtenant, as supplemented by the Sublease Letter Agreement and as amended by the First Amendment to Stadium Sublease, the Second Amendment to Stadium Sublease and the Third Amendment to Stadium Sublease.

**“Sublease Documents”** means the Stadium Sublease Agreement, the Memo of Sublease, the SNDAs, the RNDA and the Assignment of Ticket Sales and Suite License Proceeds.

**“Sublease Letter Agreement”** means the letter agreement between the Company and Partnership dated December 31, 2008.

**“Subordinate Mortgagee”** means each of the Company, the Agency, the Partnership, the Commissioner of Finance of the City of New York and the holder of record of any other mortgage encumbering all or any portion of the Mortgaged Property that is subordinate in lien to the lien of any Leasehold PILOT Mortgage or Rental Mortgage, as the case may be.

**“Subordination Agreement”** means the Third Amended and Restated Mortgage Subordination, Standstill and Recognition Agreement.

**“Subordination of Mortgage”** means the Third Amended and Restated Mortgage Subordination, Standstill and Recognition Agreement.

**“Substantial Completion,” “Substantially Completed” or “Substantially Complete Construction of the Stadium”** or similar terms used with respect to the construction of the Stadium and any other Construction Work means the condition of construction of the Stadium Project or any components thereof that is substantially in accordance with Contract Documents (if applicable) and the plans and specifications and in accordance with all Requirements, for which a Certificate of Occupancy has been issued, if required, and which is ready for the Team to play its Team Home Games.

**“Substantially Completed,” “Substantial Completion” or “Substantially Complete Construction of the Stadium”** or similar terms used with respect to the construction of the Stadium and any other Construction Work means the condition of construction of the Stadium Project or any components thereof that is substantially in accordance with Contract Documents (if applicable) and the plans and specifications and in accordance with all Requirements, for which a Certificate of Occupancy has been issued, if required, and which is ready for the Team to play its Team Home Games.

**“Substantially Complete Construction of the Stadium,” “Substantially Completed” or “Substantial Completion”** or similar terms used with respect to the construction of the Stadium and any other Construction Work means the condition of construction of the Stadium Project or any components thereof that is substantially in accordance with Contract Documents (if applicable) and the plans and specifications and in accordance with all Requirements, for which a Certificate of Occupancy has been issued, if required, and which is ready for the Team to play its Team Home Games.

**“Substantial Completion Date”** means the date on which the Stadium is Substantially Completed.

**“Substantial Taking”** means either (i) a Taking of the entire Premises or (ii) a Taking where the portion of the Premises remaining after the Taking in the reasonable determination of Tenant would not readily and appropriately accommodate a modern, first class state-of-the-art Major League Baseball stadium.

**“Subtenant”** means (i) with respect to the Lease Agreement, any occupant pursuant to a Sublease of all or any part of the Premises, and (ii) with respect to the Stadium Sublease Agreement, the Partnership (the “Stadium Subtenant”).

**“Subtenant’s Equipment”** means any personal property, trade fixtures and equipment supplied by Subtenant at its expense.

**“Sub-sublease”** means any sub-sublease or license (including a sub-sub-sublease or sub-license or any further level of subleasing or sub-sublicensing) applicable to the Premises or any part thereof, but shall not include any sub-sublease or license for less than substantially all of the Stadium and where the sub-subtenant or licensee or sub-licensee thereunder is the user/occupant of space demised or licensed (it is understood and agreed that such excluded sub-subleases, licenses and sub-licenses shall include but not be limited to any lease, license, use or occupancy of any luxury box or suite, restaurant or bar).

**“Supplemental Indenture”** means a Supplemental PILOT Indenture or a Supplemental Rental Indenture, as the case may be.

**“Supplemental PILOT Certificate”** means the certificate prepared by the Bond Trustee and delivered to the Agency with a copy to Company in accordance with Section 5.01(v) of the Master PILOT Indenture setting forth the Additional Bond Year Requirement.

**“Supplemental PILOT Indenture”** means any indenture supplemental to or amendatory of the Master PILOT Indenture, executed and delivered by the Agency and the Bond Trustee in accordance with Article XI of the Master PILOT Indenture, including, without limitation, the First Supplemental PILOT Indenture of Trust, dated as of August 1, 2006, between the Agency and the Bond Trustee, the Second Supplemental PILOT Indenture of Trust dated as of November 1, 2006, between the Agency and the Bond Trustee, the Third Supplemental PILOT Indenture of Trust, dated as of February 1, 2009, between the Agency and the Bond Trustee, and the Fourth Supplemental PILOT Indenture of Trust, dated as of September 1, 2020, between the Agency and the Bond Trustee.

**“Supplemental Rental Indenture”** means any indenture supplemental to or amendatory of the Master Rental Indenture, executed and delivered by the Agency and the Rental Bond Trustee in accordance with Article XI of the Master Rental Indenture, including, without limitation, the First Supplemental Rental Bonds Indenture of Trust, dated as of August 1, 2006, between the Agency and the Rental Bond Trustee, the Second Supplemental Rental Bonds Indenture of Trust, dated as of November 1, 2006, between the Agency and the Rental Bond Trustee, and the Third Supplemental Rental Bonds Indenture of Trust, dated as of July 1, 2009, between the Agency and the Rental Bond Trustee.

**“Swap Agreement”** means the ISDA Master Agreement, dated as of August 1, 2006 (including the schedules thereto and the confirmations thereunder (including without limitation, any confirmations entered into after the date hereof), between the Company and Goldman Sachs Bank USA, as successor by merger to Goldman Sachs Capital Markets, L.P.

**“Swap Insurance”** means any policy of insurance, surety bond or other form of financial assurance issued by a Bond Insurer simultaneously with the issuance of a Bond Insurance Policy insuring Regularly Scheduled Swap Payments and/or Swap Termination Payments to be made by the Agency pursuant to a Qualified Swap.

**“Swap Insurance Reimbursement Obligations”** has the meaning provided in Section 3.12 of the Master PILOT Indenture and in Section 3.12 of the Master Rental Indenture.

**“Swap Payments”** means Regularly Scheduled Swap Payments, Swap Termination Payments and Other Swap Payments.

**“Swap Termination Payments”** means any payments to be made by or to the Agency pursuant to a Qualified Swap arising out of events of termination or default thereunder, and shall not include Regularly Scheduled Swap Payments and Other Swap Payments and shall, for the purpose of determining amounts due and amounts to be deposited in the PILOT Bonds Subordinated Bond Fund or the Rental

Bonds Subordinated Bond Fund, as applicable, include any accrued but unpaid Swap Termination Payments, including any interest due on such unpaid amounts.

“**Taking**” means a taking of the Premises, or any part thereof for any public or quasi-public purpose by any lawful power or authority, acting in its sovereign capacity by the exercise of the right of condemnation or eminent domain or by agreement among Lease Agreement Landlord, Tenant and those authorized to exercise such right irrespective of whether the same affects the whole or substantially all of the Premises, or a lesser portion thereof but shall not include a taking of the fee interest in the Premises, or any portion thereof if, after such taking, Tenant’s and any rights under the Lease Agreement are not affected.

“**Taxable Bonds**” means Bonds which are not Tax-Exempt Bonds.

“**Tax Certificate**” means, (i) with respect to the Series 2006 PILOT Bonds, the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, dated August 22, 2006, (ii) with respect to the Series 2009A PILOT Bonds, the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, dated February 5, 2009, and (iii) with respect to the Series 2020A PILOT Bonds, the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, dated October 6, 2020.

“**Tax Court**” means the United States Tax Court established by the United States Congress under Article I of the U.S. Constitution which specializes in adjudicating disputes over federal income tax.

“**Taxes**” means the real property taxes assessed and levied against the Premises or any part thereof (or, if the Premises or any part thereof or the owner or occupant thereof is exempt from such real property taxes then the real property taxes assessed and which would be levied if not for such exemption), pursuant to the provisions of Chapter 58 of the Charter of New York City and Title 11, Chapter 2 of the Administrative Code of New York City, as the same may now or hereafter be amended, or any statute or ordinance in lieu thereof in whole or in part.

“**Tax-Exempt Bonds**” means Bonds the interest on which is intended by the Agency to be generally excluded from gross income for federal income tax purposes.

“**Team**” means the Major League Baseball Club owned by or under common ownership with the Company, currently known as the “New York Yankees” that is using the Stadium as its home stadium pursuant to the Lease Agreement, the Stadium Sublease Agreement and the Non-Relocation Agreement.

“**Team Events**” means (1) Team Home Games; (2) the Team’s practice and training activities; (3) promotional or community outreach activities involving baseball or baseball related-events, such as youth baseball clinics and autograph sessions; (4) entertainment programs or activities that occur during or immediately prior to or immediately after Team Home Games and (5) any activities relating to any sponsor or potential sponsor, any baseball-related activities, including any “all-star” games, and baseball-related community or promotional events of any kind.

“**Team Games**” means all games played or to be played at any time of the year by the Team under the League Schedule or otherwise as a member of Major League Baseball and all games played or to be played at any time of the year between the Team and a minor league affiliate, college team, Olympic team, foreign baseball team or other baseball team.

“**Team Home Games**” means each Team Game played at the Stadium that is designated as a “home game” in the League Schedule.

**“Team Owner”** means the Partnership.

**“Team Season”** means that part of the Baseball Season starting from the Team Home Game opening day to the date of the last Team Home Game in each Lease Year.

**“Temporary Taking”** means a Taking of the temporary use of the Premises or a portion thereof, whether a Substantial Taking or less than a Substantial Taking, for a temporary period of less than one (1) year.

**“Tenant”** means (i) with respect to the Lease Agreement, the Company (the **“Lease Agreement Tenant”**) and (ii) with respect to the Ground Lease, the Agency.

**“Term”** means the Initial Term, as extended by any Extended Term.

**“Term of Ground Lease”** means the period commencing on the Commencement Date, and expiring on August 21, 2105, subject to earlier termination to the extent provided by the Lease Agreement.

**“Term of Lease”** means the Initial Term, as extended by any Extended Term, subject to earlier termination to the extent provided by the Lease Agreement.

**“Term of Sublease”** means a term commencing on the Commencement Date and expiring on the sooner to occur of (i) the later of (A) the day immediately prior to the forty-third (43<sup>rd</sup>) anniversary of the Commencement Date or (B) if the Fixed Expiration Date occurs during the Baseball Season, the eighty-ninth (89<sup>th</sup>) day following the end of the Baseball Season in which the Fixed Expiration Date occurs (such later date, the “Expiration Date”), unless extended or sooner terminated in accordance with the express provisions of the Stadium Lease Agreement.

**“Termination Date”** means such date on which the Lease Agreement may terminate pursuant to its terms and conditions prior to the Initial Term or any Extended Term.

**“Third Amended and Restated Master Glossary”** or **“Master Glossary”** means this Third Amended and Restated Master Glossary of Terms for the New York City Industrial Development Agency’s PILOT Revenue Bonds (Yankee Stadium Project) and Rental Revenue Bonds (Yankee Stadium Project), dated as of September 1, 2020.

**“Third Amended and Restated Mortgage Subordination, Standstill and Recognition Agreement”** means the Third Amended and Restated Mortgage Subordination, Standstill and Recognition Agreement, dated as of September 1, 2020, between the PILOT Trustee and the Rental Bond Trustee, which is to be recorded in the City Register.

**“Third Amendment to Lease Agreement”** or **“Third Stadium Lease Amendment”** means the Third Amendment to Lease Agreement, dated as of September 1, 2020, between the Agency and the Company.

**“Third Amendment to Stadium Sublease Agreement”** means the Third Amendment to Stadium Sublease Agreement, dated as of September 1, 2020, between the Agency and the Company.

**“Third Stadium Lease Amendment”** or **“Third Amendment to Lease Agreement”** means the Third Amendment to Lease Agreement, dated as of September 1, 2020, between the Agency and the Company.



**“Third Supplemental Rental Indenture”** means the Third Supplemental Rental Bonds Indenture of Trust, dated as of July 1, 2009, between the Agency and the Rental Bond Trustee.

**“Ticket and Suite Assignment”** or **“Assignment of Ticket Sale and Suite License Proceeds”** means the Assignment of Ticket Sale and Suite License Proceeds, dated as of August 1, 2006, between the Company and the Partnership, as amended by the First Amendment to Assignment of Ticket Sale and Suite License Proceeds and the Second Amendment to Assignment of Ticket Sale and Suite License Proceeds.

**“Ticket Sale and Suite License Proceeds”** or **“Assigned Interest”** means all proceeds received by or on behalf of the Partnership in connection with the (i) sale of tickets and (ii) suite license fees, in either case, exclusively relating to the admission price for attending Team Home Games played during a Regular MLB Season at either the Stadium or for so long as an event of force majeure or casualty is continuing, any other facility, exclusive of any and all (A) taxes paid on such sale of tickets or suite license fees, (B) fees, costs or expenses payable pursuant to the MLB Trinity or otherwise and (C) proceeds paid in respect or on account of any right, benefit, privilege, entitlement or amenity not directly related to admission to a Team Home Game played during a Regular MLB Season. The Partnership shall have the right, but not the obligation, from time to time in its sole and absolute discretion to include within the amount assigned under the Assignment of Ticket Sale and Suite License Proceeds other funds of the Partnership that the Partnership has elected to designate as funds included within the definitions of “Ticket Sale and Suite License Proceeds” and “Assigned Interest.” For purposes of providing clarity and greater specificity, (i) the terms “Ticket Sale and Suite License Proceeds” and “Assigned Interest” specifically exclude any and all (A) taxes paid on such sale of tickets or suite license fees, (B) fees, costs or expenses payable pursuant to the MLB Trinity or otherwise, (C) personal seat license, food, beverage, waiter/waitress service, catering, concierge and parking costs, fees and expenses and (D) other rights, benefits, privileges, entitlements or amenities not directly related to admission to a Team Home Game played during a Regular MLB Season; (ii) the amount of the Assigned Interest or Ticket Sale and Suite License Proceeds (A) shall not be reduced or impaired by ticket or suite refunds, which refunds shall be the sole and absolute obligation of the Partnership and (B) shall be increased and include, in the case of ticket or suite credits granted by the Partnership, a contribution by the Partnership in an amount equal to the amount of Assigned Interest or Ticket Sale and Suite License Proceeds that would have been received but for such credit; and (iii) in the event that any such proceeds resulting from the sale of tickets or suite license fees is included or bundled in a package of rights, benefits, privileges, entitlements or amenities not directly related to admission to a Team Home Game played during a Regular MLB Season, only that portion of the proceeds payable under such package on account of such sale of tickets or suite license fee shall be included within the definition of “Ticket Sale and Suite License Proceeds” and “Assigned Interest.”

**“Title Exceptions”** means the title exceptions set forth in Schedule B of the Ground Lease.

**“Title Matters”** means the title exceptions set forth in Schedule A attached to the Lease Agreement and any and all encumbrances, exceptions, reservations, conditions of title and other matters affecting Lease Agreement Landlord’s interest in the Premises as of the date of the Lease Agreement.

**“Transfer”** means any disposition of an Equity Interest in the Lease Agreement Tenant or in any direct or indirect constituent entity of the Lease Agreement Tenant, where such disposition directly or indirectly produces any change in control of the Lease Agreement Tenant, but excludes (x) a transfer of any interest of a Family Member(s) to another Family Member(s), and (y) transfers of shares of less than 5% of the outstanding stock of a publicly held corporation or transfers of less than 10% of the Equity Interests in any other entity. “Transfer” does not include any disposition of an Equity Interest in a Person

that is an indirect constituent entity in the Lease Agreement Tenant that has assets of at least one hundred million dollars (\$100,000,000) and bona fide business operations other than the Team and the Lease Agreement Tenant.

“**Transferee**” means a Person to whom a Transfer is made.

“**Trustee**” means the commercial bank, trust company or other entity which may from time to time be appointed to serve as trustee under the Master PILOT Indenture or the Master Rental Indenture, as the case may be.

“**ULURP**” means the Uniform Land Use Review Procedure of the City.

“**Unassigned PILOT Rights**” or “**Agency’s Unassigned PILOT Rights**” means the rights of the Agency under Sections 8(a), 15 and 18 of the PILOT Agreement.

“**Unavoidable Delays**” means delays beyond the reasonable control of one party which have the effect of delaying such party’s performance of its obligations under the Lease Agreement and which are due to, as applicable, strikes, slowdowns, walkouts, lockouts, acts of God, catastrophic weather conditions (such as floods, extraordinary high water conditions, unusually high tides, unusual and prolonged heat or cold conditions, hurricanes or other extraordinary wind conditions, or extraordinary rain, snow, sleet or earthquakes or tornadoes), unforeseen environmental contamination conditions, inaccessibility of transportation or access to the Stadium, court orders enjoining commencement or continuation of the Stadium Project, or pendency of litigation seeking such court orders, delays in insurance adjustment or collection, enemy action (including undeclared wars), civil commotion, riot, terrorism, extraordinary public security measures such as martial law or quarantine of an area in which the Premises are located, fire, casualty, unavailability of materials notwithstanding such party’s commercially reasonable efforts to obtain such materials, or other cause not within such party’s control that is causing a delay in such party’s performance of its obligations under the Lease Agreement, of which the obligated party shall have notified the other party in writing, stating when such delay commenced, not later than ten (10) Business Days after the obligated party has first received knowledge of the occurrence of any of the foregoing conditions, provided that no notice shall be required if Lease Agreement Landlord knew about the events causing such Unavoidable Delay.

“**Variable Rate Bonds**” means, as of any date of determination, any Bonds on which the interest rate borne thereby may vary thereafter.

“**Yankees Party**” means any Person that directly or indirectly controls, is controlled by, or is under common control with the Team.

“**Zoning Resolution**” has the meaning given such term in the definition of “Requirements” herein.

## **Glossary of Terms used in Non-Relocation Agreement**

The following terms, as used in the Non-Relocation Agreement, have the respective meanings provided below. These summary definitions of terms used in the Non-Relocation Agreement do not purport to be complete or definitive and are qualified in their entirety by reference to the Non-Relocation Agreement.

**“Affiliate”** means, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director, officer, general partner, member or manager of such Person or, with respect to an individual, has a relationship with such individual by blood, adoption or marriage not more remote than first cousin. For purposes of the Non-Relocation Agreement, the term “control” (including the terms “controlling,” “controlled by” and “under common control with”) of a Person means the possession, direct or indirect, of the power to vote at least a majority of the Voting Interests in such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Interests, by virtue of being a general partner or managing member, by contract or otherwise.

**“Business Day”** means any day other than a Saturday or Sunday or any other day on which commercial banks in New York, New York are authorized or required by law to close.

**“Commencement Date”** means August 1, 2006.

**“Covered Pledge”** shall have the meaning ascribed to such term in Section 2.4.3 of the Non-Relocation Agreement.

**“Default Rate”** means the then current interest rate imposed by the City’s Department of Finance on delinquent payments.

**“Effective Date”** means August 22, 2006.

**“Existing Stadium”** means the stadium as of the date of the Non-Relocation Agreement being used by the Team to play its Home Games, which is located at 161st Street and River Avenue, Bronx, New York.

**“First Season Commencement Date”** means the earlier of the date on which the Team first commences playing Home Games at the Stadium and the date of the opening of the first Regular MLB Season immediately following Substantial Completion of the Stadium.

**“Force Majeure”** means the occurrence of any of the following, for the period of time, if any, that the performance of a party’s obligations under the Non-Relocation Agreement are actually, materially, and reasonably delayed or prevented thereby: acts of God; strikes, slowdowns, walkouts or lockouts, in each case excluding those described in Section 2.2.2(b) of the Non-Relocation Agreement; catastrophic weather conditions (such as floods, extraordinary high water conditions, unusually high tides, unusual and prolonged heat or cold conditions, hurricanes or other extraordinary wind conditions, or extraordinary rain, snow, or sleet); extraordinary security measures taken by a public entity such as martial law or quarantine of an area in which the Stadium is located, enemy action (including undeclared wars ), civil commotion, riot, terrorism; fire, casualty, structural or any other causes, whether of the kind enumerated in the Non-Relocation Agreement or otherwise, the foregoing of which are not reasonably within the control of the party (or any Affiliate of such party) claiming the right to delay performance on account of such occurrence and which, in any event, are not a result of the gross negligence or willful misconduct of or in the control of the party (or any Affiliate(s) of such party) claiming the right to delay

performance on account of such occurrence. Force Majeure shall not include (a) a Person's financial inability to perform; or (b) matters covered by Section 2.2.2(b) of the Non-Relocation Agreement.

**“Governmental Authority”** means any government or political subdivision or any agency, authority, branch, bureau, central bank, commission, department or instrumentality of either, or any court, tribunal, grand jury or public or private mediator or arbitrator, in each case whether foreign or domestic.

**“Governing Documents”** of a Person means each of the following, as applicable, such Person's certificate of limited partnership, limited partnership agreement, certificate or articles of incorporation, by-laws, limited liability company agreement, operating agreement, certificate of formation or organization, articles of formation or organization or other organizational or governing documents.

**“Home Games”** means each of the Team's scheduled or rescheduled Major League Baseball games during a Regular MLB Season in which the Team is designated as the home team, regardless of whether such games are scheduled to be played at the Stadium or elsewhere.

**“Initial Term”** means the period commencing on and including the Effective Date and terminating on the sooner to occur of (i) the later of (A) the forty-third (43<sup>rd</sup>) anniversary of the Effective Date, and (B) if such forty-third (43<sup>rd</sup>) anniversary occurs during an MLB Season, the ninetieth (90<sup>th</sup>) day following the end of the MLB Season during which such forty-third (43<sup>rd</sup>) anniversary of the Effective Date occurs, or (ii) such earlier date upon which the Lease Agreement is terminated pursuant to and in accordance with Section 8.10, 15.05, 16.02 or 38.22 thereof.

**“Insolvent”** means, after giving effect to the payment of the amount of liquidated damages set forth in Appendix C attached to the Non-Relocation Agreement that would be due (if such determination is being made with respect to an Event of Default or an event that with notice or lapse of time or both would become an Event of Default that could result in the obligation to pay such liquidated damages), the Partnership is unable to meet any of the following requirements (each on a going concern basis): (a) has capital (or access to immediately available capital), sufficient to carry on its business and transactions and all business and transactions in which it is about to engage and is able to pay its debts as they mature; (b) owns property having a value, both at fair valuation and at present fair saleable value, greater than the amount required to pay its probable liabilities (including contingencies); (c) does not believe that it will incur debts or liabilities beyond its ability to pay such debts or liabilities as they mature; and (d) the payment of any such liquidated damages would not hinder, delay, or defraud either its present or future creditors.

**“Law”** means any law (including common law), constitution, statute, treaty, convention, regulation, rule, ordinance, order, injunction, writ, decree or award of any Governmental Authority.

**“Lien”** means any mortgage, deed of trust, pledge, hypothecation, assignment, security interest, lien, charge, claim or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature, including, without limitation, any conditional sale or other title retention agreement and the filing of, or agreement to give, any financing statement under the Uniform Commercial Code as adopted in any jurisdiction.

**“Major League Baseball Club”** means any baseball team that is a member of either the American League of Professional Baseball Clubs (or any successor thereto) or the National League of Professional Baseball Clubs (or any successor thereto).

**“Master PILOT Indenture”** means the Master PILOT Bonds Indenture of Trust dated as of August 1, 2006, between the NYCIDA and the Bond Trustee, as from time to time amended or

supplemented by Supplemental PILOT Indentures in accordance with Article XI of the Master PILOT Indenture.

**“Master Rental Indenture”** means the Master Rental Bonds Indenture of Trust dated as of August 1, 2006, between the NYCIDA and the Rental Bond Trustee, as from time to time amended or supplemented by Supplemental Rental Indentures in accordance with Article XI of the Master Rental Indenture.

**“MLB”** means the unincorporated association known as “the Office of the Commissioner of Baseball doing business as Major League Baseball” and any successor to substantially all of its business.

**“MLB Actions”** means all actions taken by one (1) or more of the MLB Entities.

**“MLB Season”** means a Regular MLB Season, together with any playoff or championship games in which the Team is scheduled to participate after the conclusion of such Regular MLB Season.

**“MLB Trinity”** means the MLB Actions, MLB Documents and MLB Rules and Regulations, as the same may be subsequently amended, modified or otherwise supplemented from time to time.

**“Person”** means an individual, corporation, partnership, limited liability company, trust, unincorporated association, joint venture, joint-stock company, Governmental Authority or any other entity.

**“PILOT Agreement”** means the Payment-in-Lieu-of Tax Agreement dated as of August 1, 2006 among the NYCIDA, Stadium LLC and the City (solely as to Section 2(c) of the PILOT Agreement).

**“PILOT Assignment”** means the PILOT Assignment and Escrow Agreement dated as of August 1, 2006 among the NYCIDA, The Bank of New York as Bond Trustee, the City and The Bank of New York as PILOT Trustee.

**“PILOT Indenture”** means the Master PILOT Indenture and the Supplemental PILOT Indentures.

**“Prohibited Relocation”** means the failure by the Major League Baseball Club currently known as the “New York Yankees” (or such Major League Baseball Club using a name including the words “New York”) to play at least 87.5% of its Home Games in any Regular MLB Season, at (a) the Original Stadium for Regular MLB Seasons ending prior to the First Season Commencement Date or (b) at the Stadium for Regular MLB Seasons commencing on or after the First Season Commencement Date. For purposes of calculating the percentage in the foregoing sentence, (X) the numerator shall be the sum of (i) the number of Home Games played in the Stadium or the Original Stadium, as applicable, (ii) the number of Home Games which are played pursuant to Section 2.2.2(a) of the Non-Relocation Agreement in a Substantially Equivalent Facility located in any of the five boroughs of the City of New York and (iii) Home Games which are cancelled or suspended in accordance with the MLB Trinity due to weather or due to field conditions other than field conditions resulting from the actions of the Partnership or the failure by the tenant under the Lease Agreement to perform its obligations thereunder, and are rescheduled and played in the home ballpark of another Major League Baseball Club in accordance with the MLB Trinity; and (Y) the denominator shall be the total number of Home Games (including any Home Games not played at the Original Stadium or Stadium, as the case may be, pursuant to Section 2.2.1 of the Non-Relocation Agreement and including Home Games which are cancelled or suspended in accordance with the MLB Trinity due to weather or due to field conditions other than field conditions resulting from the actions of the Partnership or the failure by the tenant under the Lease Agreement to

perform its obligations thereunder, and are rescheduled and played in the home ballpark of another Major League Baseball Club in accordance with the MLB Trinity) minus (i) the number of Home Games played in a venue other than the Original Stadium or Stadium, as the case may be, during such Regular MLB Season pursuant to Section 2.2.2(a) of the Non-Relocation Agreement (excluding Home Games included in the numerator pursuant to clause (X)(ii) above); and (ii) the number of Home Games not played at all pursuant to Section 2.2.2(b) of the Non-Relocation Agreement.

**“Prohibited Transfer”** shall have the meaning ascribed to such term in Section 3.2.8(b) of the Non-Relocation Agreement.

**“Project Agreements”** means the Stadium Ground Lease, the Lease Agreement, the Stadium Sublease Agreement, the PILOT Indenture, the Rental Indenture, the PILOT Agreement, the PILOT Assignment and the Parking Lease.

**“Regular MLB Season”** means the regular MLB season, and shall not include any exhibition, all-star, playoff or championship games.

**“Requirement of Law”** means, as to any Person, the Governing Documents of such Person and/or of such Person’s general partner, and any Law, right, privilege, qualification, license or franchise or determination of an arbitrator or a court or other Governmental Authority, in each case applicable or binding upon such Person or any of its property (now owned or hereafter acquired) or to which such Person or any of its property is subject or pertaining to any or all of the transactions contemplated or referred to in the Non-Relocation Agreement.

**“Stadium”** means the new stadium to be developed on the present site of a portion of Macomb’s Dam Park and a portion of Mullaly Park. The Stadium Site is bounded by 161st Street on the South, River Avenue on the East, 164th Street on the North and Jerome Avenue on the West, in Bronx County, City and State of New York.

**“Stadium Project”** means the construction and development of a state-of-the-art, multi-purpose sports, civic, and entertainment facility, including the Stadium, and suitable for professional baseball, as well as for hosting other sporting events, family shows, concerts, and similar events, including events similar to those that were held in the Original Stadium or similar events typically held in other existing stadiums and arenas, and related improvements, including onsite surface parking, parking garages and related onsite infrastructure, together with all related machinery, equipment, fixtures, additions and appurtenances.

**“Stadium Site”** means the present site of a portion of Macombs Dam Park and a portion of Mullaly Park, bounded by 161st Street on the South, River Avenue on the East, 164th Street on the North and Jerome Avenue on the West, in Bronx County, City and State of New York.

**“Stadium Sublease Agreement”** means the Stadium Sublease, dated as of August 1, 2006, between the Company, as sublandlord, and the Partnership, as subtenant and all exhibits thereto and amendments, modifications and supplements thereof.

**“Substantial Completion”** of the Stadium means the condition of construction of the Stadium that is substantially in accordance with the applicable plans and specifications, for which a Certificate of Occupancy has been issued, and which is ready for the Team to play its Home Games.

**“Substantial Taking”** means a Taking where the portion of the Stadium remaining after the Taking in the reasonable determination of the Partnership would not readily and appropriately accommodate a modern, first class state-of-the-art MLB stadium.

**“Substantially Equivalent Facility”** means a stadium that (a) will allow the Partnership to realize economic benefits substantially equivalent to those realized by the Partnership at the Stadium and (b) also has the qualitative amenities, benefits and other rights that are available to the Partnership at the Stadium. For purposes of determining whether any such stadium qualifies as a Substantially Equivalent Facility, the following factors shall be among those considered in making such determination: (i) rent, utilities, overhead and other operational fees and expenses; (ii) seating capacity; (iii) seating types (e.g., luxury suites, party suites, open suites, customized seats, armchair seats, bleacher benches); (iv) spectator sight lines, (v) proximity of seating to playing field; (vi) availability for Home Games on dates and times originally scheduled by MLB therefor, (vii) availability for practice sessions, (viii) box office facilities and other ticketing arrangements/network for Home Games, (ix) suitability of field under MLB standards; (x) field condition generally; (xi) infield and outfield composition (e.g., grass vs. artificial turf, infield skin and warning track); (xii) field sprinkler and drainage systems; (xiii) ability of Partnership to maintain coverage on players it has insured while Home Games are played at such stadium, (xiv) lighting, (xv) physical plant condition; (xvi) structural condition; (xvii) dugout, bullpen and club house facilities; (xviii) public address system, (xix) scoreboards, (xx) restroom facilities, (xxi) food, beverage and souvenir concession facilities, (xxii) restaurant facilities, lounges and bars, (xxiii) conference rooms, (xxiv) museums, (xxv) private clubs, (xxvi) press and photo facilities, (xxvii) camera locations, (xxviii) parking facilities for spectators and players and other personnel of the Team, (xxix) administrative office facilities; (xxx) training and fitness facilities; (xxxi) cleaning and janitorial services; (xxxii) accessibility by automobile and mass transit; (xxxiii) suitability of television, radio and Internet broadcast facilities to those the Partnership is contractually obligated to provide, (xxxiv) conflicts and/or breaches under existing contracts of the Partnership and its Affiliates as a result of playing Home Games away from the Stadium (e.g., advertising, sponsorship, ticketing, labor, media rights, player contracts, pourage, liquor, soft drinks, energy drinks, pregame events, soft drink lines and concessions); (xxxv) security; (xxxvi) adequacy of turnstiles, public walkways and other common areas providing ingress to and egress from such stadium, (xxxvii) signage in, about and around such stadium; (xxxviii) neighborhood and location of the such stadium generally; (xxxix) nuisances affecting Home Games at such stadium (e.g., aircraft flyovers); (xl) anticipated attendance at Home Games at such stadium; (xli) increased/incremental costs and expenses of providing goods and services, and insurance normally provided by the Partnership at the Stadium; and (xlii) anticipated effect upon revenues from playing Home Games at such stadium; all as evaluated in good faith by the Partnership in its reasonable discretion. For purposes of this definition, Substantially Equivalent Facility shall include any stadium (if available as described in (a)(vi) above) located in one of the five boroughs of New York City that is regularly used by another Major League Baseball Club to play its games, including, without limitation Shea Stadium located in Flushing, New York and any other stadium which is the home stadium for the New York Mets.

**“Taking”** means a taking of the Stadium, or any part thereof for any public or quasi-public purpose by any lawful power or authority, acting in its sovereign capacity by the exercise of the right of condemnation or eminent domain or by agreement among the Issuer, the Company and those authorized to exercise such right irrespective of whether the same affects the whole or substantially all of the Stadium or a lesser portion thereof but shall not include a taking of a fee interest in the Stadium, or any portion thereof if, after such taking, the Company’s rights under the Lease Agreement are not affected.

**“Team”** means the MLB franchise for the professional baseball team known as the New York Yankees.

**“Temporary Taking”** means a Taking of the temporary use of the whole Stadium, whether a Substantial Taking or less than a Substantial Taking, for a temporary period of less than one (1) year.

**“Threatened Material Breach”** means a threatened material breach that is imminent. A threatened material breach shall be deemed imminent in sufficient time to provide for a party to the Non-Relocation Agreement to seek an injunction or specific performance as a remedy therefor pursuant to Section 3.3.1 of the Non-Relocation Agreement.

**“Voting Interests”** means shares of capital stock issued by a corporation, or equivalent equity interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right to so vote has been suspended by the happening of such a contingency.



[THIS PAGE INTENTIONALLY LEFT BLANK]

## APPENDIX B

### Summary of the PILOT Indenture

*The following is a brief summary of certain provisions of the Master PILOT Indenture of Trust, as supplemented (the “Master PILOT Indenture”). This summary does not purport to be comprehensive or complete, and reference is made to the Master PILOT Indenture for full and complete statements of such and all provisions. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in APPENDIX A - “DEFINITIONS OF CERTAIN TERMS.”*

### CUSTODY AND INVESTMENT OF PILOT BONDS FUNDS

#### Creation of Funds and Accounts.

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

- (i) PILOT Bonds Project Fund
  - (A) PILOT Bonds Costs of Issuance Account
  - (B) PILOT Bonds Construction and Acquisition Account
  - (C) PILOT Bonds Administrative Cost Account
  - (D) PILOT Bonds Capitalized Interest Account
- (ii) PILOT Bonds Revenue Fund
- (iii) PILOT Bonds Bond Fund
  - (A) PILOT Bonds Principal Account
  - (B) PILOT Bonds Interest Account
  - (C) PILOT Bonds Special Reserve Account
  - (D) PILOT Bonds Redemption Account
- (iv) PILOT Bonds Debt Service Reserve Fund
  - (A) PILOT Bonds Debt Service Reserve Account
  - (B) PILOT Bonds Strike Reserve Account
- (v) PILOT Bonds Renewal Fund
- (vi) PILOT Bonds Subordinated Bond Fund
- (vii) PILOT Bonds Rebate Fund

(b) All of the Funds and Accounts created under the Master PILOT Indenture shall be held by the Bond Trustee. All moneys and investments deposited with the Bond Trustee shall be held in trust and applied only in accordance with the Master PILOT Indenture and shall be trust funds for the purposes of the Master PILOT Indenture. All moneys required to be deposited with or paid to the Bond Trustee for the credit of any Fund or Account under any provision of the Master PILOT Indenture and all investments made therewith shall be held by the Bond Trustee in trust and applied only in accordance with the provisions of the Master PILOT Indenture, and while held by the Bond Trustee shall constitute part of the PILOT Bonds Trust Estate, other than the PILOT Bonds Rebate Fund and the PILOT Bonds Renewal Fund to the extent provided in the Master PILOT Indenture, and be subject to the lien hereof. Additional Funds, Accounts and subaccounts may be established by the Agency in its discretion in addition to the Funds and Accounts established pursuant to this section; the establishment of such Accounts or shall be evidenced by the delivery by the Agency to the Bond Trustee of a certificate of an Authorized Representative.

(c) The amounts deposited in the Funds (other than the PILOT Bonds Renewal Fund and the PILOT Bonds Rebate Fund) and Accounts created under the Master PILOT Indenture shall be subject to a security interest, lien and charge in favor of the Bond Trustee (for the benefit of the Holders of the Bonds) until disbursed as provided under the Master PILOT Indenture. The PILOT Bonds Renewal Fund and the amounts deposited therein shall be held in trust for the benefit of the Persons entitled thereto pursuant to the terms of the Master PILOT Indenture.

(d) On January 16 of each Bond Year, the Bond Trustee shall deliver the Initial PILOT Certificate to the PILOT Trustee, with a copy to the Company and the Agency setting forth the Bond Year Requirement or, if Variable Rate Bonds are Outstanding, the Estimated Bond Year Requirement, for the next succeeding Bond Year; provided, however, that if, in any Bond Year, the Construction Monitor delivers the Completion Certificate to the Bond Trustee on or before December 14th, then the Bond Trustee shall deliver the Initial PILOT Certificate to the PILOT Trustee on December 15<sup>th</sup> of such Bond Year for the next succeeding Bond Year.

(e) At any time during each Bond Year, if five days prior to any PILOT Bonds Payment Date the amount of moneys on deposit in the Funds and Accounts under the PILOT Indenture is not sufficient to pay the amounts due and payable under the Master PILOT Indenture on such PILOT Bonds Payment Date or any future PILOT Bonds Payment Date in the then current Bond Year, the Bond Trustee shall furnish to the PILOT Trustee, with a copy to the Company and the Agency, a Supplemental PILOT Certificate setting forth the Additional Bond Year Requirement for the then current Bond Year.

Deposits into PILOT Bonds Project Fund; Application of PILOT Bonds Project Fund Moneys.

(a) There shall be deposited in the accounts in the PILOT Bonds Project Fund any and all amounts required to be deposited therein pursuant to each Supplemental PILOT Indenture and otherwise required to be deposited as summarized under the section entitled "Investments of Funds and Accounts" herein or otherwise required to be deposited therein pursuant to the Master PILOT Indenture, including monies for deposit in the PILOT Bonds Construction and Acquisition Account representing the reimbursement of requisitioned PILOT Bond proceeds not applied to the purposes for which they were originally requisitioned. The amounts in each account in the PILOT Bonds Project Fund shall be subject to a security interest, lien and charge in favor of the Bond Trustee until disbursed as provided in the Master PILOT Indenture.

(b) PILOT Bonds Costs of Issuance Account. On the 1st day of February in each Bond Year, the Bond Trustee shall make the following transfers from the PILOT Bonds Revenue Fund in the following order, subject to credits for amounts already on deposit in the Funds, Accounts and subaccounts described below:

(i) To the PILOT Bonds Administrative Cost Account, an amount equal to one hundred percent (100%) of Bond Fees payable and the Agency's administrative costs payable in connection with the administration of the PILOT Assignment and the Master PILOT Indenture in the next succeeding Bond Year, as set forth in the Initial PILOT Certificate;

(ii) To each subaccount established with respect to a Series of PILOT Bonds in the PILOT Bonds Interest Account in the PILOT Bonds Bond Fund, an amount equal to one hundred percent (100%) of Annual Debt Service with respect to interest accruing on such Series of Outstanding PILOT Bonds and any related Parity Reimbursement Obligations and Regularly Scheduled Swap Payments under related Parity Swap Obligations payable in the next succeeding Bond Year, as set forth in the Initial PILOT Certificate; provided that, for the purposes of computing the amount to be deposited in such subaccount, there shall be excluded from the balance of such subaccount the amount, if any, set aside in such subaccount (A) for the payment of interest accrued and unpaid and to accrue on such Series of PILOT Bonds or Parity Debt to the last day of the then current Month and (B) if interest is required to be paid to holders of such Series of PILOT Bonds or Parity Debt during the next succeeding Month, on the day other than the first day of such Month, for the payment of interest accrued and unpaid and to accrue on such Series of PILOT Bonds or Parity Debt to the day through and including which such interest is required to be paid in accordance with the PILOT Indenture; and

(iii) To each subaccount established with respect to a Series of PILOT Bonds in the PILOT Bonds Principal Account in the PILOT Bonds Bond Fund, an amount equal to one hundred percent (100%) of Annual Debt Service with respect to principal or Sinking Fund Installments of such Series of Outstanding PILOT Bonds and any related Parity Reimbursement Obligations payable in the next succeeding Bond Year, as set forth in the Initial PILOT Certificate.

The Bond Trustee shall use amounts in the PILOT Bonds Costs of Issuance Account for payment of Costs of Issuance in accordance with a certificate or certificates of the Agency stating the names of the payees, the purpose of each payment in terms sufficient for identification and the respective amounts of each such payment. Earnings from any investment of the PILOT Bonds Costs of Issuance Account shall be deposited in the PILOT Bonds Construction and Acquisition Account in the PILOT Bonds Project Fund and applied in the manner provided in the subparagraph (c) immediately below to pay Project Costs or if such amounts relate to Additional PILOT Bonds, the costs of any Capital Addition. Any amounts remaining in the PILOT Bonds Costs of Issuance Account after payment of all Costs of Issuance shall be deposited in the PILOT Bonds Construction and Acquisition Account in the PILOT Bonds Project Fund and used to pay Project Costs or if such amounts relate to Additional PILOT Bonds, the costs of any Capital Addition.

(c) PILOT Bonds Construction and Acquisition Account. (i) On the 24th day of each calendar month, the Bond Trustee shall make the following transfers from the PILOT Bonds Revenue Fund in the following order, subject to credits for amounts already on deposit in the Funds, Accounts and subaccounts described below as a result of deposits made pursuant to subparagraph (b) above:

(1) To the PILOT Bonds Administrative Cost Account, an amount equal to the accrued Bond Fees as of the last day of the then current Month and, if Bond Fees are required to be paid during the next succeeding Month on a day other than the first day of such Month, accrued Bond Fees as of the day through and including the day on which such Bond Fees are required to be paid and any other amounts required for the payment, or reimbursement to the extent the same have been paid by or on behalf of the Agency, of the Agency's costs incurred in the administration of the PILOT Assignment and the Master PILOT Indenture;

(2) To each subaccount established with respect to a Series of PILOT Bonds in the PILOT Bonds Interest Account in the PILOT Bonds Bond Fund, the amount, if any, required so that the balance in such subaccount shall equal the Accrued Aggregate Debt Service with respect to interest as of the last day of the then current Month and, if interest is required to be paid to holders of such Series of PILOT Bonds or Parity Debt relating thereto during the next succeeding Month on a day other than the first day of such Month, Accrued Aggregate Debt Service with respect to interest as of the day through and including the day on which such interest is required to be paid;

(3) To each subaccount established with respect to a Series of PILOT Bonds in the PILOT Bonds Principal Account in the PILOT Bonds Bond Fund, an amount equal to Accrued Aggregate Debt Service with respect to principal as of the last day of the then current Month and, if principal is required to be paid to holders of such Series of PILOT Bonds or Parity Debt relating thereto during the next succeeding Month on a day other than the first day of such Month, Accrued Aggregate Debt Service with respect to principal as of the day through and including the day on which such principal is required to be paid;

(4) To reimburse each Reserve Account Credit Facility Provider or PILOT Bonds Strike Reserve Account Credit Facility Provider for any amounts advanced under its Reserve Account Credit Facility or PILOT Bonds Strike Reserve Account Credit Facility, including paying interest thereon and any related reasonable expenses of the Reserve Account Credit Facility Provider or PILOT Bonds Strike Reserve Account Credit Facility Provider in connection therewith, in accordance with the terms of such Reserve Account Credit Facility or PILOT Bonds Strike Reserve Account Credit Facility and any reimbursement agreement between the Agency and the Reserve Account Credit Facility Provider or PILOT Bonds Strike Reserve Account Credit Facility Provider; provided, to the extent that on any date the amounts available for such reimbursement payments are insufficient to make all such payments, including interest, the amounts actually available shall be paid, pro rata, to each Reserve Account Credit Facility Provider and PILOT Bonds Strike Reserve Account Credit Facility Provider in proportion to the payments then due under the respective Reserve Account Credit Facilities or the PILOT Bonds Strike Reserve Account Credit Facilities;

(5) To the PILOT Bonds Subordinated Bond Fund, the amount, if any, as shall be required to be deposited therein in the then current month to pay principal or sinking fund installments of and premiums, if any, and interest on each issue of PILOT Bonds Subordinated Indebtedness coming due in such month, whether as a result of maturity or prior call for-redemption, and to provide reserves therefor, as required by the Supplemental PILOT Indenture authorizing such issue of PILOT Bonds Subordinated Indebtedness and the amount necessary to pay any Swap Termination Payments and Other Swap Payments due and payable in such Bond Year;

(6) If the balance in the PILOT Bonds Strike Reserve Account is less than the PILOT Bonds Strike Reserve Account Requirement, to the PILOT Bonds Strike Reserve Account the amount necessary to satisfy the PILOT Bonds Strike Reserve Account Requirement in accordance with the cure period set forth herein in sub-paragraph (v) under the heading “Deposits into PILOT Bonds Debt Service Reserve Fund; Application of PILOT Bonds Debt Service Reserve Fund Moneys – PILOT Bonds Strike Reserve Account”;

(7) If the balance in any subaccount established with respect to a Series of PILOT Bonds in the Special Reserve Account is less than the PILOT Bonds Interest Account Reserve Requirement, to such subaccount in the PILOT Bonds Special Reserve Account the amount necessary to satisfy the PILOT Bonds Special Reserve Requirement in accordance with the timing set forth herein in sub-paragraph (v) under the heading “Deposits into PILOT Bonds Bond Fund; Application of Bond Fund Moneys – PILOT Bonds Special Reserve Account”;

(8) If the balance in any subaccount established with respect to a Series of PILOT Bonds in the PILOT Bonds Debt Service Reserve Account in the PILOT Bonds Debt Service Reserve Fund is less than the PILOT Bonds Debt Service Reserve Account Requirement established for such Series of PILOT Bonds, to such subaccount in the PILOT Bonds Debt Service Reserve Account in the PILOT Bonds Debt Service Reserve Fund the amount necessary to satisfy the PILOT Bonds Debt Service Reserve Account Requirement established for such Series of PILOT Bonds in accordance with the cure period set forth herein in sub-paragraph (v) under the heading “Deposits into PILOT Bonds Debt Service Reserve Fund; Application of PILOT Bonds Debt Service Reserve Fund Moneys – PILOT Bonds Debt Service Reserve Account”; and

(9) To the PILOT Bonds Rebate Fund, the amount, if any, as shall be required to pay any PILOT Bonds Rebate Requirement.

(ii) The Bond Trustee is authorized to disburse from the PILOT Bonds Construction and Acquisition Account of the PILOT Bonds Project Fund the amount required for the payment of Project Costs and is directed to issue its checks or wire transfer for each disbursement from the PILOT Bonds Construction and Acquisition Account of the PILOT Bonds Project Fund, upon a requisition submitted to the Bond Trustee with a copy to the Bond Insurer and signed by the Construction Monitor and the Company. The Bond Trustee shall issue such checks or wire such funds no sooner than five (5) Business Days after the submission of a properly completed requisition and no later than fifteen (15) Business Days after such a submission. Such requisition shall be as set forth in the form of requisition from the PILOT Bonds Project Fund attached to the Master PILOT Indenture. Each such requisition shall be accompanied by (i) a schedule of bills or invoices supporting such requisition (stamped “paid” if reimbursement is to be made to the Company) or other evidence reasonably satisfactory to the Bond Trustee including evidence that the bill, invoice or other evidence was not incurred or paid on a date prior to March 14, 2006, except as otherwise provided by the Tax Certificate and (ii) a partial waiver of lien from any contractor which is being paid from any disbursement. The Bond Trustee shall be entitled to rely on the correctness and accuracy of such requisition as well as the propriety of the signature thereon.

(iii) The Bond Trustee is hereby authorized to transfer from the PILOT Bonds Construction and Acquisition Account to the PILOT Bonds Rebate Fund the amount required for the payment of the PILOT Bonds Rebate Requirement upon written instructions from the Agency to make such transfer in accordance with the Master PILOT Agreement.

(iv) Earnings from any investment of the PILOT Bonds Construction and Acquisition Account shall remain in the PILOT Bonds Construction and Acquisition Account in the PILOT Bonds Project Fund and applied to the payment of Project Costs.

(v) Upon the receipt of the Construction Progress Certificate by the Bond Trustee from the Construction Monitor as set forth in the Master PILOT Indenture, the Bond Trustee shall transfer moneys from the PILOT Bonds Construction and Acquisition Account to the PILOT Bonds Interest Account and the PILOT Bonds Principal Account in accordance with the Master PILOT Indenture the

amount set forth in such Master PILOT Indenture. All amounts remaining in the PILOT Bonds Construction and Acquisition Account after Completion shall be disbursed in accordance with subparagraph (f)(iii) below.

(d) PILOT Bonds Administrative Cost Account. The Bond Trustee shall apply the amounts on deposit in the PILOT Bonds Administrative Cost Account of the Project Fund to the payment, or reimbursement to the extent the same have been paid by or on behalf of the Agency, of the Agency's costs incurred in the administration of the PILOT Assignment and the Master PILOT Indenture and any Bond Fees, upon a requisition submitted to the Bond Trustee and signed by an Authorized Representative of the Agency to the extent requisitioned under the Master PILOT Indenture; provided, however, that the Bond Trustee is directed to apply the amounts on deposit in the PILOT Bonds Administrative Cost Account of the Project Fund to the payment of Agency PILOT Bond Administrative Fee to the Agency on the first day of February in each Bond Year without presentment of a requisition.

(e) PILOT Bonds Capitalized Interest Account. There shall be deposited in the PILOT Bonds Capitalized Interest Account such amounts as shall be provided in a Supplemental PILOT Indenture relating to the PILOT Bonds. The initial amounts on deposit in the PILOT Bonds Capitalized Interest Account shall be used to pay interest on the PILOT Bonds, Regularly Scheduled Swap Payments, if any, and Bond Fees, if any, during the Construction Period and through the Completion Date. The Bond Trustee is authorized and directed to transfer from the PILOT Bonds Capitalized Interest Account to the PILOT Bonds Interest Account on or before each Interest Payment Date an amount equal to the amount necessary to pay the interest on the PILOT Bonds becoming due on such Interest Payment Date and Regularly Scheduled Swap Payments due on such date. Earnings from investment of the PILOT Bonds Capitalized Interest Account shall be retained in the PILOT Bonds Capitalized Interest Account. All amounts remaining in the PILOT Bonds Capitalized Interest Account after the Completion Date, will be transferred first, to the PILOT Bonds Special Reserve Account, if and to the extent necessary to make the amount in the PILOT Bonds Special Reserve Account equal the PILOT Bonds Special Reserve Account Requirement, second to the PILOT Bonds Debt Service Reserve Account, if and to the extent necessary to make the amount in the PILOT Bonds Debt Service Reserve Account equal the PILOT Bonds Debt Service Reserve Account Requirement, and then any balance shall be transferred to the PILOT Bonds Interest Account to make the amount on deposit therein equal Annual Debt Service for the remainder of the applicable Bond Year relating to the PILOT Bonds and any related Parity Debt, and then to the PILOT Bonds Revenue Fund.

(f) General. (i) The Bond Trustee shall keep and maintain adequate records pertaining to the Accounts in the PILOT Bonds Project Fund and all disbursements therefrom and shall furnish copies of same to the Agency upon reasonable written request.

(ii) The Bond Trustee shall on written request by the Agency furnish to the Agency, the Bond Insurer and the provider of a Qualified Swap, if any, within a reasonable time period a written statement of disbursements from the Accounts in the PILOT Bonds Project Fund, enumerating, among other things, item, cost, amount disbursed, date of disbursement and the person to whom payment was made, together with copies of all bills, invoices or other evidences submitted to the Bond Trustee for such disbursement and all lien waivers from each contractor that furnished work, labor, services, materials or supplies to the Project.

(iii) Upon Completion of the Project, any balance of such remaining amounts in the PILOT Bonds Costs of Issuance Account, the PILOT Bonds Construction and Acquisition Account and the PILOT Bonds Capitalized Interest Account shall be transferred to the PILOT Bonds Revenue Fund.

(g) Transfer to PILOT Bonds Redemption Account. In the event the Agency shall be required to or shall elect to cause the PILOT Bonds to be redeemed in whole pursuant to the Master PILOT Indenture

or any Supplemental PILOT Indenture, the balance in any account in the PILOT Bonds Project Fund shall be transferred to the PILOT Bonds Redemption Account of the PILOT Bonds Bond Fund.

Deposits into PILOT Bonds Revenue Fund; Application of PILOT Bonds Revenue Fund Moneys.

(a) The Bond Trustee shall deposit or cause to be deposited into the PILOT Bonds Revenue Fund immediately upon their receipt, all PILOT Revenues. The Bond Trustee shall also deposit in the PILOT Bonds Revenue Fund such other amounts required to be deposited therein pursuant to the Master PILOT Indenture; provided, however, that any moneys paid to the Bond Trustee for the purchase of PILOT Bonds or Parity Debt pursuant to the provisions of the Master PILOT Indenture or the redemption of PILOT Bonds or Parity Debt pursuant to the provisions of the Master PILOT Indenture shall be deposited into the PILOT Bonds Redemption Account in the PILOT Bonds Bond Fund, in each case, without the deposit of such moneys into the PILOT Bonds Revenue Fund and applied to the redemption of PILOT Bonds. Earnings from investments of the PILOT Bonds Revenue Fund shall remain on deposit in the PILOT Bonds Revenue Fund.

(b) On the 1st day of February in each Bond Year, the Bond Trustee shall make the following transfers from the PILOT Bonds Revenue Fund in the following order, subject to credits for amounts already on deposit in the Funds and Accounts described below:

(i) To the PILOT Bonds Administrative Cost Account, an amount equal to one hundred percent (100%) of Bond Fees payable in the next succeeding Bond Year as set forth in the Initial PILOT Certificate;

(ii) To the PILOT Bonds Interest Account in the PILOT Bonds Bond Fund, an amount equal to one hundred percent (100%) of Annual Debt Service with respect to interest accruing on Outstanding PILOT Bonds and any related Parity Reimbursement Obligations and Regularly Scheduled Swap Payments under related Parity Swap Obligations payable in the next succeeding Bond Year, as set forth in the Initial PILOT Certificate; provided that, for the purposes of computing the amount to be deposited in said Account, there shall be excluded from the balance of said Account the amount, if any, set aside in said Account (A) for the payment of interest accrued and unpaid and to accrue on PILOT Bonds or Parity Debt to the last day of the then current Month, and (B) if interest is required to be paid to holders of PILOT Bonds or Parity Debt during the next succeeding Month on the day other than the first day of such Month for the payment of interest accrued and unpaid and to accrue on PILOT Bonds or Parity Debt to the day through and including which such interest is required to be paid in accordance with the PILOT Indenture; and

(iii) To the PILOT Bonds Principal Account in the PILOT Bonds Bond Fund, an amount equal to one hundred percent (100%) of Annual Debt Service with respect to principal or Sinking Fund Installments of Outstanding PILOT Bonds and any related Parity Reimbursement Obligations payable in the next succeeding Bond Year, as set forth in the Initial PILOT Certificate.

(c) On the 24th day of each calendar month, the Bond Trustee shall make the following transfers from the PILOT Bonds Revenue Fund in the following order, subject to credits for amounts already on deposit in the Funds and Accounts described below as a result of deposits made pursuant to the summarized section entitled "Deposits into PILOT Bonds Revenue Fund; Application of PILOT Bonds Revenue Fund Moneys."

(i) To the PILOT Bonds Administrative Cost Account, an amount equal to the accrued Bond Fees as of the last day of the then current Month and, if Bond Fees are required to be paid during the



next succeeding Month on a day other than the first day of such Month, accrued Bond Fees as of the day through and including the day on which such Bond Fees are required to be paid;

(ii) To the PILOT Bonds Interest Account in the PILOT Bonds Bond Fund, the amount, if any, required so that the balance in said Account shall equal the Accrued Aggregate Debt Service with respect to interest as of the last day of the then current Month and, if interest is required to be paid to holders of PILOT Bonds or Parity Debt during the next succeeding Month on a day other than the first day of such Month, Accrued Aggregate Debt Service with respect to interest as of the day through and including the day on which such interest is required to be paid;

(iii) To the PILOT Bonds Principal Account in the PILOT Bonds Bond Fund, an amount equal to Accrued Aggregate Debt Service with respect to principal as of the last day of the then current Month and, if principal is required to be paid to holders of PILOT Bonds or Parity Debt during the next succeeding Month on a day other than the first day of such Month, Accrued Aggregate Debt Service with respect to principal as of the day through and including the day on which such principal is required to be paid;

(iv) To reimburse each Reserve Account Credit Facility Provider or the PILOT Bonds Strike Reserve Account Credit Facility Provider for any amounts advanced under its Reserve Account Credit Facility or its PILOT Bonds Strike Reserve Account Credit Facility relating to the PILOT Bonds, including paying interest thereon and any related reasonable expenses of the Reserve Account Credit Facility Provider in connection therewith, in accordance with the terms of such PILOT Bonds Reserve Account Credit Facility and any reimbursement agreement between the Agency and the Reserve Account Credit Facility Provider; to the extent that on any date the amounts available for such reimbursement payments are insufficient to make all such payments, including interest, the amounts actually available shall be paid, pro rata, to each Reserve Account Credit Facility Provider and the PILOT Bonds Strike Reserve Account Credit Facility Provider in proportion to the payments then due under the respective Reserve Account Credit Facilities or the PILOT Bonds Strike Reserve Account Credit Facility;

(v) To the PILOT Bonds Subordinated Bond Fund, the amount, if any, as shall be required to be deposited therein in the then current month to pay (i) the principal or Sinking Fund Installments of and premium, if any, and interest on, and any Bond Fees relating to, each issue of PILOT Bonds Subordinated Indebtedness and related Parity Debt when due, whether as a result of maturity or prior call for redemption, and to provide reserves therefor, as may be required by the Supplemental PILOT Indenture authorizing such issue of PILOT Bonds Subordinated Indebtedness, (ii) any Swap Termination Payments and Other Swap Payments when due in accordance with the provisions of, and subject to the priorities, limitations and restrictions provided in, a Supplemental PILOT Indenture authorizing such PILOT Bonds Subordinated Indebtedness, and (iii) any PILOT Bonds Subordinated Obligations when due;

(vi) If the balance in the PILOT Bonds Strike Reserve Account is less than the PILOT Bonds Strike Reserve Account Requirement, to the PILOT Bonds Strike Reserve Account the amount necessary to satisfy the PILOT Bonds Strike Reserve Account Requirement in accordance with the cure period summarized in the section entitled "Deposits into PILOT Debt Service Reserve Fund; Application of PILOT Bonds Debt Service Reserve Fund Moneys;"

(vii) If the balance in the PILOT Bonds Special Reserve Account is less than the PILOT Bonds Special Reserve Account Requirement, to the PILOT Bonds Special Reserve Account the amount necessary to satisfy the PILOT Bonds Special Reserve Account Requirement in accordance with the timing set forth in the summarized section entitled "Deposits into PILOT Bonds Debt Service Reserve Fund; Application of PILOT Bonds Debt Service Reserve Fund Moneys;"

(viii) If the balance in the PILOT Bonds Debt Service Reserve Account is less than the PILOT Bonds Debt Service Reserve Account Requirement, to the PILOT Bonds Debt Service Reserve Account the amount necessary to satisfy the PILOT Bonds Debt Service Reserve Account Requirement in accordance with the cure period set forth in the summarized section entitled “Deposits into PILOT Bonds Bond Fund; Application of Bond Fund Moneys;” and

(ix) To the PILOT Bonds Rebate Fund, the amount, if any, as shall be required to pay any PILOT Bonds Rebate Requirement.

(d) Amounts remaining on deposit in the PILOT Bonds Revenue Fund after making the deposits or payments set forth in subparagraphs (i) through (ix) above shall be held in PILOT Bonds Revenue Fund.

Deposits into PILOT Bonds Renewal Fund; Application of PILOT Bonds Renewal Fund Moneys.

(a) All amounts received by the Bond Trustee constituting Restoration Funds, insurance proceeds or proceeds of condemnation awards shall be deposited in the PILOT Bonds Renewal Fund. All moneys deposited in the PILOT Bonds Renewal Fund shall be held in trust by the Bond Trustee and applied only in accordance with the provisions of the Master PILOT Indenture and shall be a trust fund for the purposes hereof. Amounts on deposit in the PILOT Bonds Renewal Fund shall not be commingled with the amounts held in any Fund or Account under the Master PILOT Indenture.

(b) If the Company elects or is required to perform a Casualty Restoration or Condemnation Restoration in accordance with the applicable terms of the Lease Agreement, the Bond Trustee is authorized to apply the amounts in the PILOT Bonds Renewal Fund to the payment (or reimbursement to the extent the same have been paid by or on behalf of the Company or the Agency) of the costs required for the rebuilding, replacement, repair and restoration of the Stadium in accordance with the procedures set forth in paragraph (c) of the summarized section entitled “Deposits into PILOT Bonds Project Fund; Application of PILOT Bonds Project Fund Moneys”. The Bond Trustee is further authorized and directed to issue its checks for each disbursement from the PILOT Bonds Renewal Fund upon a requisition submitted to the Bond Trustee and signed by an Authorized Representative of the Construction Monitor. The Bond Trustee shall issue its checks no sooner than five (5) Business Days after the submission of a properly completed requisition and no later than fifteen (15) Business Days after such submission. Each such requisition shall be accompanied by bills, invoices or other evidences reasonably satisfactory to the Bond Trustee. The Bond Trustee shall be entitled to rely on such requisition. The Bond Trustee shall keep and maintain adequate records pertaining to the PILOT Bonds Renewal Fund and all disbursements therefrom and shall furnish copies of same to the Agency, the Bond Insurer, and the Company upon reasonable written request therefore.

(c) The date of completion of the restoration of the Stadium shall be evidenced to the Agency, the Bond Insurer and the Bond Trustee by a certificate of an Authorized Representative of the Company stating (i) the date of such completion, (ii) that all labor, services, materials and supplies used therefor and all costs and expenses in connection therewith have been paid for, (iii) that the Stadium has been restored to substantially its condition immediately prior to the Casualty Event or Taking, or to a condition of at least equivalent value, operating efficiency and function, (iv) that the Agency has good and valid leasehold title to all property constituting part of the restored Project and all property of the Stadium is subject to the mortgage liens and security interests of the PILOT Mortgages, (v) the Rebate Requirement applicable with respect to the Restoration Funds or condemnation awards and the earnings thereon (with a statement as to the determination of the Rebate Requirement and a direction to the Bond Trustee of any required transfer to the PILOT Bonds Rebate Fund), and (vi) that the restored Stadium is ready for occupancy, use and operation for its Intended Purpose. Notwithstanding the foregoing, such certificate shall state (x) that it is

given without prejudice to any rights of the Company against third parties which exist at the date of such certificate or which may subsequently come into being, (y) that it is given only for the purposes of this summarized section, and (z) that no Person other than the Agency, the PILOT Bondholders, the Holders of Parity Debt, the Bond Insurer or the Bond Trustee may benefit therefrom. Such certificate shall be accompanied by (i) a permanent certificate of occupancy, if required, and any and all permissions, licenses or consents required of governmental authorities for the occupancy, operation and use of the Stadium for the purposes contemplated by the PILOT Agreement; (ii) a certificate of an Authorized Representative of the Construction Monitor (1) certifying that all costs of rebuilding, repair, restoration and reconstruction of the Stadium have been paid in full, and (2) attaching thereto lien waivers or releases of mechanics' liens by all contractors and materialmen who supplied work, labor, services, materials or supplies in connection with the rebuilding, repair, restoration and reconstruction of the Stadium (or, to the extent that any such costs shall be the subject of a bona fide dispute, evidence to the Bond Trustee that such costs have been appropriately bonded or that the Company shall have posted a surety or security at least equal to the amount of such costs) and (iii) a current title update confirming that no mechanics' or other liens have been filed against the Project.

(d) In the event of a Substantial Taking or if the Company elects not to perform a Condemnation Restoration as permitted by the terms of Article 16 the Lease Agreement, then the Agency shall direct the Bond Trustee in writing to (1) pay to the Agency an amount equal to the value of the Land so taken, and (2) redeem PILOT Bonds in accordance with the summarized section entitled "Special Mandatory Redemption" and all amounts remaining on deposit in the PILOT Bonds Renewal Fund after the transfer to the Agency set forth in clause (d)(1) above will be transferred pro rata in proportion to the amount of Outstanding PILOT Bonds and Outstanding Rental Bonds, respectively, to (i) the PILOT Bonds Redemption Account in the PILOT Bonds Bond Fund and (ii) to the Rental Bond Trustee under the Rental Indenture for deposit in the Rental Bonds Redemption Account in the Rental Bonds Bond Fund to redeem PILOT Bonds and Rental Bonds as soon as practicable.

(e) If the Company elects not to perform a Casualty Restoration as permitted by the terms of Article 15 of the Lease Agreement, then the Agency shall direct the Bond Trustee in writing to (1) pay to the Company an amount equal to the costs of demolition if the Agency has elected pursuant to Article 15 of the Lease Agreement to have the Company demolish the Stadium and (2) redeem PILOT Bonds in accordance with the Master PILOT Indenture and all amounts remaining on deposit in the PILOT Bonds Renewal Fund after the transfer, if any, to the Company as set forth in clause (e)(1) above will be transferred pro rata in proportion to the amount of Outstanding PILOT Bonds and Outstanding Rental Bonds, respectively, to (i) the PILOT Bonds Redemption Account in the PILOT Bonds Bond Fund and (ii) to the Rental Bond Trustee under the Rental Indenture for deposit in the Rental Bonds Redemption Account in the Rental Bonds Bond Fund to redeem PILOT Bonds and Rental Bonds as soon as practicable.

(f) Any amounts remaining on deposit in the PILOT Bonds Renewal Fund after making any transfers or payments pursuant to paragraphs (a) (b) (c) (d) and (e) above shall be disbursed by the Bond Trustee to the appropriate party pursuant to the provisions of Article 15 or 16, as applicable, of the Lease Agreement.

#### Deposits into PILOT Bonds Bond Fund; Application of Bond Fund Moneys.

(a) There is created and established in the PILOT Bonds Bond Fund the accounts described below which shall be held by the Bond Trustee and which shall be used solely for the purpose of paying the principal of and Redemption Price, if any, and interest and Sinking Fund Installments on, and any Bond Fees relating to, the PILOT Bonds and related Parity Debt and of retiring such PILOT Bonds and related Parity Debt at or prior to maturity in the manner provided in the Master PILOT Indenture and in any

Supplemental PILOT Indenture and in making all Regularly Scheduled Swap Payments under Parity Swap Obligations related to such PILOT Bonds when due.

(b) PILOT Bonds Interest Account.

(i) The Bond Trustee shall deposit into the PILOT Bonds Interest Account, upon receipt thereof, all amounts transferred by the Bond Trustee for deposit therein in accordance with the summarized section entitled “Deposits into PILOT Bonds Revenue Fund; Application of PILOT Bonds Revenue Fund Moneys” and paragraphs (d) and (e) below and any Regularly Scheduled Swap Payments related to the PILOT Bonds made by a Qualified Swap Provider pursuant to a Qualified Swap;

(ii) The Bond Trustee shall, on or before each Interest Payment Date, pay out of the PILOT Bonds Interest Account subaccount relating to a Series of PILOT Bonds the amounts required for the payment of the interest becoming due on, such PILOT Bonds and related Parity Reimbursement Obligations on such Interest Payment Date. The Bond Trustee shall also pay out of the PILOT Bonds Interest Account subaccount relating to a Series of PILOT Bonds, on any Redemption Dates for Bonds being refunded by an issue of Refunding PILOT Bonds, the amount required for the payment of interest on the PILOT Bonds then to be so redeemed. The Bond Trustee shall also, on or before the date on which any Regularly Scheduled Swap Payments under a Parity Swap Obligation related to such PILOT Bonds is due, pay out of the PILOT Bonds Interest Account subaccount relating to the Series of PILOT Bonds for which the applicable Qualified Swap is related, the amounts required for the payment of the Regularly Scheduled Swap Payments becoming due on such date.

(c) PILOT Bonds Principal Account.

(i) The Bond Trustee shall deposit into the PILOT Bonds Principal Account, upon receipt thereof, all amounts transferred by the Bond Trustee for deposit therein in accordance with the summarized section entitled “Deposits into PILOT Bonds Revenue Fund; Application of PILOT Bonds Revenue Fund Moneys” and paragraphs (d) and (e) below representing Principal Installments becoming due on the PILOT Bonds and any related Parity Reimbursement Obligation on a principal payment date;

(ii) The Bond Trustee shall, on each or before a Principal Payment Date, pay out of the PILOT Bonds Principal Account subaccount relating to a Series of PILOT Bonds the amounts required for the payment of the Principal Installments becoming due on the PILOT Bonds of such Series and any related Parity Reimbursement Obligation on such Principal Payment Date.

(d) PILOT Bonds Special Reserve Account.

(i) The Bond Trustee shall establish a subaccount in the PILOT Bonds Special Reserve Account for each Series of PILOT Bonds in an amount equal to the PILOT Bonds Special Reserve Account Requirement. At the time any Series of PILOT Bonds is delivered pursuant to the Master PILOT Indenture, the Agency shall pay into the PILOT Bonds Special Reserve Account from the proceeds of such PILOT Bonds or other available funds, the amount, if any, necessary for the amount on deposit in the subaccount for such Series of PILOT Bonds in the PILOT Bonds Special Reserve Account to equal the PILOT Bonds Special Reserve Account Requirement, calculated immediately after the delivery of such Series of PILOT Bonds. Amounts on deposit in the subaccount the PILOT Bonds Special Reserve Account shall be applied as provided in this summarized section.

(ii) Except as otherwise provided in a Supplemental PILOT Indenture with respect to a subaccount established in the PILOT Bonds Special Reserve Account for a Series of PILOT Bonds, the Bond Trustee shall use amounts in each subaccount in the PILOT Bonds Special Reserve Account to make

transfers in the following order of priority to (A) the PILOT Bonds Interest Account to the extent necessary to pay interest on the Series of PILOT Bonds and Regularly Scheduled Swap Payments, if any, for which such subaccount was established, (B) the PILOT Bonds Principal Account for the payment of the principal (whether at maturity or upon redemption) due and payable on the Series of PILOT Bonds for which such subaccount was established and (C) the PILOT Bonds Administrative Cost Account to the extent necessary to pay Bond Fees for such Series of PILOT Bonds as the same become due.

(iii) If on any Interest Payment Date or principal payment date the amount in any subaccount in PILOT Bonds Special Reserve Account is less than the PILOT Bonds Special Reserve Account Requirement solely by reason of a change in the valuation of investments therein, no transfers to such subaccount in the PILOT Bonds Special Reserve Account shall be required so long as all investment earnings and amounts in the PILOT Bonds Special Reserve Account remain therein until the amount on deposit in the subaccount in the PILOT Bonds Special Reserve Account contains the amount of the PILOT Bonds Special Reserve Account Requirement and on the next Interest Payment Date or principal payment date as the case may be, such subaccount in the PILOT Bonds Special Reserve Account contains an amount equal to the PILOT Bonds Special Reserve Account Requirement. If such subaccount in the PILOT Bonds Special Reserve Account at that time does not contain an amount equal to the PILOT Bonds Special Reserve Account Requirement, the Bond Trustee shall notify the Agency of the amounts of such deficiency and the Bond Trustee shall deposit an amount equal to the deficiency from the PILOT Bonds Revenue Fund in accordance with the provisions of the summarized section entitled “Deposits into PILOT Bonds Revenue Fund; Application of PILOT Bonds Revenue Fund Moneys” to the extent moneys are available.

(iv) If a deficiency exists in any subaccount in the PILOT Bonds Special Reserve Account, no later than the last Business Day of each calendar month the Bond Trustee shall transfer first from the PILOT Bonds Revenue Fund, second, from the PILOT Bonds Capitalized Interest Account and third from the PILOT Bonds Subordinated Bond Fund to the extent that there are sufficient moneys available therein, and deposit in such subaccount in the PILOT Bonds Special Reserve Account the amount, if any, required for the amount on deposit in the PILOT Bonds Special Reserve Account to equal the PILOT Bonds Special Reserve Account Requirement as of the last day of such calendar month, provided, however, that any deficiency in any subaccount in the PILOT Bonds Special Reserve Account, may be cured by depositing into such subaccount in the PILOT Bonds Special Reserve Account, following such determination of the deficiency, any amounts available to be so deposited such that the deficiency shall be cured by the end of the then current Bond Year.

(e) PILOT Bonds Redemption Account.

(i) Except as may be otherwise provided in a Supplemental PILOT Indenture authorizing particular PILOT Bonds, amounts in the PILOT Bonds Redemption Account of the PILOT Bonds Bond Fund shall be applied, at the written direction of the Agency, as promptly as practicable, to the purchase or redemption of PILOT Bonds or Parity Reimbursement Obligations, as applicable, at prices not exceeding the Redemption Price thereof applicable on the earliest date upon which such PILOT Bonds or Parity Reimbursement Obligations are next subject to redemption pursuant to the summarized section entitled “Notice of Redemption”, plus accrued interest to the date of redemption. Any amount in the PILOT Bonds Redemption Account not so applied to the purchase of PILOT Bonds or Parity Reimbursement Obligations by forty-five (45) days prior to the next date on which such PILOT Bonds or Parity Reimbursement Obligations are so redeemable shall be applied to the redemption of such PILOT Bonds or Parity Reimbursement Obligations on such redemption date. Any amounts deposited in the PILOT Bonds Redemption Account and not applied within twelve (12) months of their date of deposit to the purchase or redemption of PILOT Bonds or Parity Reimbursement Obligations (except if held in accordance with the summarized section entitled “Defeasance”) shall be transferred to the PILOT Bonds Interest Account. The PILOT Bonds or Parity Reimbursement Obligations to be purchased or redeemed shall be selected by the

Bond Trustee in the manner provided in the summarized section entitled “Redemption at the Election of the Agency”. Amounts in the PILOT Bonds Redemption Account to be applied to the redemption of PILOT Bonds or Parity Reimbursement Obligations shall be paid to the PILOT Bonds Paying Agent on or before the redemption date and applied by them on such redemption date to the payment of the Redemption Price of the PILOT Bonds being redeemed plus interest on such PILOT Bonds accrued to the redemption date;

(ii) Moneys in the PILOT Bonds Redemption Account of the PILOT Bonds Bond Fund which are not set aside or deposited for the redemption or purchase of PILOT Bonds or Parity Reimbursement Obligations shall be transferred by the Bond Trustee to the PILOT Bonds Interest Account or to the PILOT Bonds Principal Account of the PILOT Bonds Bond Fund.

(f) Deficiencies. If, on the Business Day preceding a Interest Payment Date or principal payment date, the balances in the PILOT Bonds Interest Account and/or the PILOT Bonds Principal Account, after giving effect to any transfers made pursuant to the Master PILOT Indenture, shall be insufficient for the purposes thereof on a payment date, the Bond Trustee shall transfer to the PILOT Bonds Interest Account and then to the PILOT Bonds Principal Account such amounts as may be necessary therefor, first, from amounts on deposit in the PILOT Bonds Special Reserve Account, second, from amounts on deposit in the PILOT Bonds Subordinated Bond Fund and third, from amounts on deposit in the PILOT Bonds Debt Service Reserve Account and fourth, if amounts in the PILOT Bonds Special Reserve Account and the PILOT Bonds Debt Service Reserve Account are insufficient and if a Strike has occurred and is continuing from the PILOT Bonds Strike Reserve Account.

(g) Earnings on Accounts in the PILOT Bonds Fund. Earnings from investment of the amounts held in the PILOT Bonds Bond Fund shall be deposited upon receipt during the Construction Period in the PILOT Bonds Construction and Acquisition Account and after the Completion Date transferred to the PILOT Bonds Revenue Fund.

Deposits into PILOT Bonds Debt Service Reserve Fund; Application of PILOT Bonds Debt Service Reserve Fund Moneys.

(a) PILOT Bonds Debt Service Reserve Account.

(i) Except as otherwise provided in the Supplemental Indenture executed and delivered in connection with the issuance of one or more Series of PILOT Bonds, the Bond Trustee shall establish within the PILOT Bonds Debt Service Reserve Account of the PILOT Bonds Debt Service Reserve Fund a PILOT Bonds Debt Service Reserve Subaccount for such Series or for one or more Series of PILOT Bonds in an amount equal to the applicable PILOT Bonds Debt Service Reserve Account Requirement. Except as otherwise provided in the Supplemental Indenture executed and delivered in connection with the issue of a Series of PILOT Bonds, at the time any Series of PILOT Bonds is delivered pursuant to the Master PILOT Indenture, the Agency shall pay into the PILOT Bonds Debt Service Reserve Subaccount for such Series from the proceeds of such PILOT Bonds or other available funds, the amount, if any, necessary for the amount on deposit in each subaccount of the PILOT Bonds Debt Service Reserve Account to equal the PILOT Bonds Debt Service Reserve Account Requirement, after giving effect to any Reserve Account Credit Facility, calculated immediately after the delivery of such Series of PILOT Bonds.

(ii) Amounts on deposit in the PILOT Bonds Debt Service Reserve Account shall be applied as provided in this summarized section. Fiduciary charges and expenses (including, but not limited to, legal fees and expenses) shall not be paid from the PILOT Bonds Debt Service Reserve Account.

(iii) The Bond Trustee shall use amounts in the PILOT Bonds Debt Service Reserve Account to make transfers to the PILOT Bonds Interest Account and PILOT Bonds Principal Account to

the extent necessary to pay the principal of (whether at maturity or upon redemption) and interest on PILOT Bonds as the same become due.

(iv) If on any Interest Payment Date or principal payment date the amount in the PILOT Bonds Debt Service Reserve Account is less than the PILOT Bonds Debt Service Reserve Account Requirement solely by reason of a change in the valuation of investments therein, no transfers to the PILOT Bonds Debt Service Reserve Account shall be required so long as all investment earnings and amounts in the PILOT Bonds Debt Service Reserve Account remain therein until the PILOT Bonds Debt Service Reserve Account contains the amount of the PILOT Bonds Debt Service Reserve Account Requirement and on the next Interest Payment Date or principal payment date as the case may be, the PILOT Bonds Debt Service Reserve Account contains an amount equal to the PILOT Bonds Debt Service Reserve Account Requirement. If the PILOT Bonds Debt Service Reserve Account at that time does not contain an amount equal to the PILOT Bonds Debt Service Reserve Account Requirement, the Bond Trustee shall notify the Agency of the amounts of such deficiency and the Bond Trustee shall deposit an amount equal to the deficiency from the PILOT Bonds Revenue Fund in accordance with the provisions of the summarized section entitled “Deposits into PILOT Bonds Revenue Fund; Application of PILOT Bonds Revenue Fund Moneys” to the extent monies are available therefor.

(v) If a deficiency exists in any Subaccount in the PILOT Bonds Debt Service Reserve Account, no later than the last Business Day of each calendar month the Bond Trustee shall transfer first from the PILOT Bonds Revenue Fund, second from the PILOT Bonds Capitalized Interest Account and third from the PILOT Bonds Subordinated Bond Fund, as the case may be, to the extent that there are sufficient moneys available therein, and deposit in the applicable subaccount in the PILOT Bonds Debt Service Reserve Account the amount, if any, required for the amount on deposit in such Subaccount in the PILOT Bonds Debt Service Reserve Account to equal the applicable PILOT Bonds Debt Service Reserve Account Requirement as of the last day of such calendar month, after giving effect to any Reserve Account Credit Facility that meets the requirements of a Reserve Account Credit Facility for a particular Series of PILOT Bonds; provided, however, that any deficiency remaining in any Subaccount in the PILOT Bonds Debt Service Reserve Account, after giving effect to such transfers and to any qualifying Reserve Account Credit Facility deposited in such Subaccount, shall be cured by depositing into such Subaccount in the PILOT Bonds Debt Service Reserve Account in each month, following such determination of the deficiency, any amounts available to be deposited, including amounts from the PILOT Bonds Revenue Fund in accordance with the provisions of the Master PILOT Indenture, such that the deficiency shall be cured by the end of the then current Bond Year.

(vi) In lieu of or in substitution for moneys on deposit in or to be deposited in a PILOT Bonds Debt Service Reserve Account or any subaccount established therein pursuant to any provision of the Master PILOT Indenture, the Agency may deposit or cause to be deposited with the Bond Trustee a Reserve Account Credit Facility for the benefit of the holders of the Outstanding PILOT Bonds secured by such account or subaccount for all or any part of the applicable PILOT Bonds Debt Service Reserve Account Requirement; provided, however, that the Bond Trustee shall receive an Opinion of Bond Counsel in customary form to the effect that the Reserve Account Credit Facility meets the requirements of the Master PILOT Indenture. If at any time the ratings of the PILOT Bonds Debt Service Reserve Account Credit Facility Provider or the long term debt obligations secured or supported by a surety bond, insurance policy or letter of credit of the PILOT Bonds Debt Service Reserve Account Credit Facility Provider shall fall below the required ratings as provided in the definition of Reserve Account Credit Facility for a Series of PILOT Bonds, such Reserve Account Credit Facility shall no longer be deemed to be a Reserve Account Credit Facility and the Agency shall either (A) replace or cause to be replaced, or be supplemented on a secondary basis, said Reserve Account Credit Facility with another Reserve Account Credit Facility which satisfies the rating requirements of a Reserve Account Credit Facility set forth in the definition of Reserve Account Credit Facility and the other requirements as provided above, (B) if said Reserve Account Credit

Facility is a letter of credit, instruct the Bond Trustee to draw on such Reserve Account Credit Facility in the amount of the applicable PILOT Bonds Debt Service Reserve Account Requirement and deposit such amounts in the applicable PILOT Bonds Debt Service Reserve Account or Subaccount or (C) deposit into the applicable PILOT Bond Debt Service Reserve Account or Subaccount monies at the times and in the amounts necessary to restore the amount in the PILOT Bonds Debt Service Reserve Account or Subaccount to the applicable PILOT Bonds Debt Service Reserve Account Requirement in accordance with and as required by the Master PILOT Indenture.

(vii) Any amount in the PILOT Bonds Debt Service Reserve Account in excess of the PILOT Bonds Debt Service Reserve Account Requirement, after giving effect to any Reserve Account Credit Facility, may be retained therein or, upon the written direction of an Authorized Representative of the Agency filed with the Bond Trustee, may be transferred to the PILOT Bonds Interest Account in the PILOT Bonds Bond Fund; then to the PILOT Bonds Principal Account in the PILOT Bonds Bond Fund and finally to the PILOT Bonds Revenue Fund; provided, however, that any such excess as of the last Business Day of each calendar year shall be so transferred.

(viii) In the event of the refunding of any PILOT Bonds, the Bond Trustee shall, upon the written direction of an Authorized Representative of the Agency, withdraw from the PILOT Bonds Debt Service Reserve Account all or any portion of amounts accumulated therein with respect to the PILOT Bonds or Parity Debt being refunded and apply such amounts in accordance with such direction; provided, however, that such withdrawal shall not be made unless (i) immediately thereafter the PILOT Bonds or Parity Debt being refunded shall be deemed to have been paid pursuant to paragraph (b) of the summarized section entitled "Defeasance", and (ii) subject to paragraph (e) of this summarized section, the amount remaining in the PILOT Bonds Debt Service Reserve Account, after giving effect to any Reserve Account Credit Facility, after such withdrawal shall not be less than the PILOT Bonds Debt Service Reserve Account Requirement.

(ix) Upon payment in full of all Outstanding PILOT Bonds and at any time prior to the Fixed Expiration Date of the Lease Agreement, any amounts remaining on deposit in the PILOT Bonds Debt Service Reserve Account shall be returned to the Agency; provided, however, that if payment in full of all Outstanding PILOT Bonds occurs after the Fixed Expiration Date of the Lease Agreement, any amounts remaining on deposit in the PILOT Bonds Debt Service Reserve Account shall be returned to the Agency for application to the payment of operating and maintenance expenses of the Stadium.

(x) Earnings from investment of the amounts on deposit in the PILOT Bonds Debt Service Reserve Account shall remain on deposit in the PILOT Bonds Debt Service Reserve Account.

(xi) Notwithstanding any other provision of this summarized section, immediately upon the payment in full of all Outstanding Series 2006 PILOT Bonds, but in any event, no later than one Business Day after the payment in full of all Outstanding Series 2006 PILOT Bonds, the Bond Trustee shall transfer all amounts held as cash and/or investments on deposit in the Series 2006 PILOT Bonds Debt Service Reserve Subaccount of the PILOT Bonds Debt Service Reserve Account into the Series 2020 PILOT Bonds Debt Service Reserve Subaccount of the PILOT Bonds Debt Service Reserve Account.

(xii) Notwithstanding any other provision of this summarized section, immediately upon the payment in full of all Outstanding Series 2009 PILOT Bonds, but in any event no later than one Business Day after the payment in full of all Outstanding Series 2009 PILOT Bonds, the Bond Trustee shall transfer all amounts held as cash and/or investments on deposit in the Series 2009 PILOT Bonds Debt Service Reserve Subaccount of the PILOT Bonds Debt Service Reserve Account into the Series 2020 PILOT Bonds Debt Service Reserve Subaccount of the PILOT Bonds Debt Service Reserve Account.



(b) PILOT Bonds Strike Reserve Account.

(i) At the time the Initial PILOT Bonds are delivered pursuant to the terms of the Master PILOT Indenture, the Agency shall deposit or cause to be deposited with the Bond Trustee cash and/or a PILOT Bonds Strike Reserve Account Credit Facility (or Facilities) in an amount equal to the PILOT Bonds Strike Reserve Account Requirement established for the Initial PILOT Bonds. Upon the issuance of a Series of Additional PILOT Bonds pursuant to the Master PILOT Indenture and a Supplemental PILOT Indenture, the Agency shall re-calculate the PILOT Bonds Strike Reserve Account Requirement for all then Outstanding PILOT Bonds supported by the PILOT Bonds Strike Reserve Account and deposit or cause to be deposited with the Bond Trustee in such Account cash and/or a PILOT Bonds Strike Reserve Account Credit Facility (or Facilities) in an amount not less than the arithmetic difference between the recalculated PILOT Bonds Strike Reserve Account Requirement for all then Outstanding PILOT Bonds supported by such Account and the remaining maximum coverage amount of the previously deposited PILOT Bonds Strike Reserve Account Credit Facility (or Facilities) (as specified by the terms of such PILOT Bonds Strike Reserve Account Credit Facility (or Facilities)).

(ii) Moneys held for the credit of the PILOT Bonds Strike Reserve Account shall be withdrawn by the Bond Trustee and deposited to the credit of the applicable subaccount or subaccounts of the PILOT Bonds Interest Account and the PILOT Bonds Principal Account in the PILOT Bonds Bond Fund, respectively, at the times and in the amounts required to comply with the provisions of the summarized section entitled “Deposits into PILOT Bonds Revenue Fund; Application of PILOT Bonds Revenue Fund Moneys” hereof, or deposited to the credit of the PILOT Bonds Redemption Account at the times and in the amounts required to make payments therefrom in respect of PILOT Bonds and any related Parity Debt, respectively; provided, however, that no transfers from the PILOT Bonds Strike Reserve Account and no payment from amounts on deposit in the PILOT Bonds Strike Reserve Account shall be sought unless (1) a Strike has occurred and is continuing and (2) moneys on deposit in the applicable subaccount or subaccounts of the PILOT Bonds Interest Account, the PILOT Bonds Principal Account, the PILOT Bonds Special Reserve Account and the PILOT Bonds Debt Service Reserve Account and required to be withdrawn from such subaccount or subaccounts have been depleted and no monies are available to be withdrawn therefrom.

(iii) If and to the extent that cash has been deposited in the PILOT Bonds Strike Reserve Account, all such cash shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing under any PILOT Bonds Strike Reserve Account Credit Facility. With respect to any demand for payment under any PILOT Bonds Strike Reserve Account Credit Facility, the Bond Trustee shall make such demand for payment in accordance with the terms of such PILOT Bonds Strike Reserve Account Credit Facility at the earliest time provided therein to assure the availability of moneys on the payment date for which such moneys are required, but in no event less than two (2) Business Days prior to the applicable Interest Payment Date, principal payment date or Redemption Date. In the event that there is more than one PILOT Bonds Strike Reserve Account Credit Facility on deposit in the PILOT Bonds Strike Reserve Account, the Bond Trustee shall make demand for payment as follows:

(a) If the demand for payment is with respect to a PILOT Bond that is supported by more than one General PILOT Bonds Strike Reserve Account Credit Facility, then pro rata on each such General PILOT Bonds Strike Reserve Account Credit Facility in proportion to the amount of such General PILOT Bonds Strike Reserve Account Credit Facility;

(b) If the demand for payment is with respect to a PILOT Bond that is supported by a Specific PILOT Bonds Strike Reserve Account Credit Facility and a General PILOT Bonds Strike Reserve Account Credit Facility, then *first* on such Specific PILOT Bonds Strike Reserve Account Credit Facility up to the amount of such Specific PILOT Bonds Strike

Reserve Account Credit Facility and *second*, to the extent that the amount available under such Specific PILOT Bonds Strike Reserve Account Credit Facility is insufficient to pay the full amount of the demand or the PILOT Bonds Strike Reserve Account Credit Facility Provider thereof fails to pay any part of the amount of such demand, on such General PILOT Bonds Strike Reserve Account Credit Facility in the amount of the insufficiency or failed payment up to the amount of such General PILOT Bonds Strike Reserve Account Credit Facility;

(c) If the demand for payment is with respect to a PILOT Bond that is supported by more than one Specific PILOT Bonds Strike Reserve Account Credit Facility and a General PILOT Bonds Strike Reserve Account Credit Facility, then *first* pro rata on each such Specific PILOT Bonds Strike Reserve Account Credit Facility in proportion to the amount of such Specific PILOT Bonds Strike Reserve Account Credit Facility; *second*, to the extent that the amount available under a Specific PILOT Bonds Strike Reserve Account Credit Facility is insufficient to pay the full amount of the demand or the PILOT Bonds Strike Reserve Account Credit Facility Provider thereof fails to pay any part of the amount of such demand, then pro rata on each other Specific PILOT Bonds Strike Reserve Account Credit Facility in the amount of the insufficiency or failed payment in proportion to the amount of such Specific PILOT Bonds Strike Reserve Account Credit Facility up to the amount of such Specific PILOT Bonds Strike Reserve Account Credit Facility; and *third*, to the extent that the aggregate amount available under the Specific PILOT Bonds Strike Reserve Account Credit Facilities is insufficient to pay the full amount of the demand, or an insufficiency is the result of the failure of one or more PILOT Bonds Strike Reserve Account Credit Facility Providers to pay any part of the amount of such demand, on such General PILOT Bonds Strike Reserve Account Credit Facility in the amount of the insufficiency or failed payment up to the amount of such General PILOT Bonds Strike Reserve Account Credit Facility;

(d) If the demand for payment is with respect to a PILOT Bond that is supported a Specific PILOT Bonds Strike Reserve Account Credit Facility and by more than one General PILOT Bonds Strike Reserve Account Credit Facility, then *first* on such Specific PILOT Bonds Strike Reserve Account Credit Facility up to the amount of such Specific PILOT Bonds Strike Reserve Account Credit Facility and *second*, to the extent that the amount available under the Specific PILOT Bonds Strike Reserve Account Credit Facility is insufficient to pay the full amount of the demand or the PILOT Bonds Strike Reserve Account Credit Facility Provider thereof fails to pay any part of the amount of such demand, then pro rata on each General PILOT Bonds Strike Reserve Account Credit Facility in the amount of the insufficiency or failed payment in proportion to the amount of such General PILOT Bonds Strike Reserve Account Credit Facility; and

(e) If the demand for payment is with respect to a PILOT Bond that is supported by more than one Specific PILOT Bonds Strike Reserve Account Credit Facility and more than one General PILOT Bonds Strike Reserve Account Credit Facility, then *first* pro rata on each such Specific PILOT Bonds Strike Reserve Account Credit Facility in proportion to the amount of such Specific PILOT Bonds Strike Reserve Account Credit Facility; *second*, to the extent that the amount available under a Specific PILOT Bonds Strike Reserve Account Credit Facility is insufficient to pay the full amount of the demand or the PILOT Bonds Strike Reserve Account Credit Facility Provider thereof fails to pay any part of the amount of such demand, then pro rata on each other Specific PILOT Bonds Strike Reserve Account Credit Facility in the amount of the insufficiency or failed payment in proportion to the amount of such Specific PILOT Bonds Strike Reserve Account Credit

Facility up to the amount of such Specific PILOT Bonds Strike Reserve Account Credit Facility; and *third*, to the extent that the aggregate amount available under these Specific PILOT Bonds Strike Reserve Account Facilities is insufficient to pay the full amount of the demand, or an insufficiency is the result of the failure of one or more PILOT Bonds Strike Reserve Account Credit Facility Providers to pay any part of the amount of such demand, then pro rata on each General PILOT Bonds Strike Reserve Account Credit Facility in the amount of the insufficiency or failed payment in proportion to the amount of such General PILOT Bonds Strike Reserve Account Credit Facility up to the amount of such General PILOT Bonds Strike Reserve Account Credit Facility.

(iv) If the unsecured or uncollateralized long term debt of the PILOT Bonds Strike Reserve Account Credit Facility Provider or the long term debt obligations secured or supported by a surety bond, insurance policy or letter of credit of the PILOT Bonds Strike Reserve Account Credit Facility Provider is reduced below the second highest Rating Category by any Rating Agency, the Agency shall replace or cause to be replaced said PILOT Bonds Strike Reserve Account Credit Facility with another PILOT Bonds Strike Reserve Account Credit Facility which satisfies the requirements of a Reserve Account Credit Facility or instruct the Bond Trustee to draw on such PILOT Bonds Strike Reserve Account Credit Facility in the amount of the applicable PILOT Bonds Strike Reserve Account Requirement and deposit such amounts in the PILOT Bonds Strike Reserve Account.

(v) If a deficiency exists in the PILOT Bonds Strike Reserve Account, no later than the last Business Day of each calendar month, the Bond Trustee shall transfer first from the PILOT Bonds Revenue Fund, second from the applicable subaccount or subaccounts of the PILOT Bonds Capitalized Interest Account and third from the PILOT Bonds Subordinated Bond Fund, as the case may be, to the extent that there are sufficient moneys available therein, and deposit in the PILOT Bonds Strike Reserve Account the amount, if any, required for the amount on deposit in the PILOT Bonds Strike Reserve Account to equal the PILOT Bonds Strike Reserve Account Requirement for the PILOT Bonds supported by such PILOT Bonds Strike Reserve Account as of the last day of such calendar month, after giving effect to any PILOT Bonds Strike Reserve Account Credit Facility that meets the requirements of a PILOT Bonds Strike Reserve Account Credit Facility for a particular Series of PILOT Bonds; provided, however, that any deficiency in the PILOT Bonds Strike Reserve Account, after giving effect to any qualifying PILOT Bonds Strike Reserve Account Credit Facility, may be cured by depositing into the PILOT Bonds Strike Reserve Account, in each month following the determination of such deficiency, any amounts available to be so deposited, including amounts from the PILOT Bonds Revenue Fund in accordance with the provisions of the Master PILOT Indenture, such that the deficiency shall be cured by the end of the then current Bond Year.

(vi) If at any time the ratings of the PILOT Bonds Strike Reserve Account Credit Facility Provider shall fall below the ratings required for a PILOT Bonds Strike Reserve Account Credit Facility as set forth in the definition thereof, such PILOT Bonds Strike Reserve Account Credit Facility shall no longer be deemed to be a PILOT Bonds Strike Reserve Account Credit Facility and the Agency shall either (A) replace or cause to be replaced, or be supplemented on a secondary basis, said PILOT Bonds Strike Reserve Account Credit Facility with another PILOT Bonds Strike Reserve Account Credit Facility which satisfies the requirements of a PILOT Bonds Strike Reserve Account Credit Facility, (B) if said PILOT Bonds Strike Reserve Account Credit Facility is a letter of credit, instruct the Bond Trustee to draw on such PILOT Bonds Strike Reserve Account Credit Facility and deposit such amounts in the PILOT Bonds Strike Reserve Account or (C) deposit such amounts into the PILOT Bonds Strike Reserve Account at the times and in the amounts as shall be necessary to restore the amount in the PILOT Bonds Strike Reserve Account to the then applicable PILOT Bonds Strike Reserve Account Requirement in accordance with and as required by this summarized section.

(vii) Notwithstanding any other provision of this summarized section, immediately upon the payment in full of all Outstanding Series 2006 PILOT Bonds, but in any event no later than one Business Day after the payment in full of all Outstanding Series 2006 PILOT Bonds, the Bond Trustee shall, to the extent such cash and investments are not required to satisfy the PILOT Bonds Strike Reserve Account Requirement or satisfy any PILOT Bonds Debt Service Reserve Account Requirement, transfer all amounts held as cash and/or investments on deposit in the PILOT Bonds Strike Reserve Account and deposit such amounts in the PILOT Bonds Revenue Fund to be applied in accordance with the Master PILOT Indenture.

#### PILOT Bonds Subordinated Bond Fund.

(a) Subject to subsection (b) hereof, the Bond Trustee shall apply amounts in the PILOT Bonds Subordinated Bond Fund to the payment of (i) the principal or Sinking Fund Installments of and premium, if any, and interest on, and any Bond Fees relating to, each issue of PILOT Bonds Subordinated Indebtedness and related Parity Debt when due, whether as a result of maturity or prior call for redemption, and to provide reserves therefor, as may be required by the Supplemental PILOT Indenture authorizing such issue of PILOT Bonds Subordinated Indebtedness, (ii) any Swap Termination Payments and Other Swap Payments when due in accordance with the provisions of, and subject to the priorities, limitations and restrictions provided in, a Supplemental PILOT Indenture authorizing such PILOT Bonds Subordinated Indebtedness, and (iii) any PILOT Bonds Subordinated Obligations when due. If at any time the amount in the PILOT Bonds Interest Account or the PILOT Bonds Principal Account in the PILOT Bonds Bond Fund shall be less than the requirement of such Account, or the amount in the PILOT Bonds Special Reserve Account or PILOT Bonds Debt Service Reserve Account shall be less than the PILOT Bonds Special Reserve Account Requirement or the PILOT Bonds Debt Service Reserve Account Requirement, respectively, as the result of any transfer of monies from said Fund to the PILOT Bonds Interest Account or PILOT Bonds Principal Account in the PILOT Bonds Bond Fund, and there shall not be credited to the PILOT Bonds Revenue Fund available monies sufficient to cure such deficiency, then the Bond Trustee shall withdraw from the PILOT Bonds Subordinated Bond Fund and deposit in the PILOT Bonds Interest Account, the PILOT Bonds Principal Account or the PILOT Bonds Special Reserve Account in the PILOT Bonds Bond Fund or the PILOT Bonds Debt Service Reserve Account in the PILOT Bonds Debt Service Reserve Fund, as the case may be, the amount necessary (or all the monies in said PILOT Bonds Subordinated Bond Fund, if less than the amount necessary) to make up such deficiency.

(b) Earnings from investment of the amounts held in the PILOT Bonds Subordinated Bond Fund shall remain on deposit in the PILOT Bonds Subordinated Bond Fund unless otherwise provided in the Supplemental PILOT Indenture authorizing such PILOT Bonds Subordinated Indebtedness.

#### Deposits into PILOT Bonds Rebate Fund; Application of PILOT Bonds Rebate Fund Moneys.

(a) The PILOT Bonds Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Bond Trustee, the PILOT Bondholder, the Holder of Parity Debt, the Bond Insurer, provider of a Qualified Swap or any other Persons.

(b) The Agency shall calculate the PILOT Bonds Rebate Requirement (i) prior to the Project achieving Completion, on the last Business Day of each Bond Year and (ii) after Completion at the times and in the manner provided in the Tax Certificate, the terms of which are incorporated in the Master PILOT Indenture. The Agency shall deliver to the Bond Trustee a certificate setting forth such PILOT Bonds Rebate Requirement and directing that a transfer be made from (i) prior to the Project achieving Completion, amounts on deposit in the PILOT Bonds Project Fund, and if amounts in the PILOT Bonds Project Fund are insufficient, the PILOT Bonds Revenue Fund, and (ii) after achieving Completion, the

PILOT Bonds Revenue Fund, in each case to the PILOT Bonds Rebate Fund in the amount of the PILOT Bonds Rebate Requirement at the times set forth in such certificate.

(c) Deposits into the PILOT Bonds Rebate Fund shall be made in an amount sufficient to meet the PILOT Bonds Rebate Requirement (i) at any time prior to Completion, as set forth in the certificate described in clause (b) above and (ii) after Completion, as described in the Tax Certificate. Amounts on deposit in the PILOT Bonds Rebate Fund that are required to be paid to the United States Agency of the Treasury pursuant to the Code shall be paid at the times and in the amounts set forth in or determined in accordance with the certificate delivered to the Bond Trustee described in paragraph (b) above or the Tax Certificate, as applicable.

(d) The Bond Trustee shall have no obligation under the Master PILOT Indenture to transfer any amounts to the PILOT Bonds Rebate Fund unless the Bond Trustee shall have received specific written instructions from the Agency to make such transfer.

(e) Earnings from investment of the amounts held in the PILOT Bonds Rebate Fund shall remain on deposit in the PILOT Bonds Rebate Fund unless otherwise provided in the Tax Certificate.

#### Investment of Funds and Accounts.

(a) Except as may be otherwise provided in a Supplemental PILOT Indenture authorizing particular PILOT Bonds, amounts in the PILOT Bonds Revenue Fund, PILOT Bonds Rebate Fund, the PILOT Bonds Project Fund and the PILOT Bonds Renewal Fund may, if and to the extent then permitted by law, be invested only in Qualified Investments; and amounts in the PILOT Bonds Bond Fund, the PILOT Bonds Subordinated Bond Fund and PILOT Bonds Debt Service Reserve Fund may, if and to the extent permitted by law, be invested only in Government Obligations. Such investments of the amounts in the PILOT Bonds Revenue Fund, PILOT Bonds Bond Fund and PILOT Bonds Debt Service Reserve Fund shall mature in such amounts and have maturity dates or be subject to redemption at the option of the Holders thereof on or prior to the date on which the amounts invested therein will be needed for the purposes of the PILOT Bonds Revenue Fund, the PILOT Bonds Bond Fund, or may be needed for purposes of the PILOT Bonds Debt Service Reserve Fund. Any investment authorized in the Master PILOT Indenture is subject to the condition that no portion of the proceeds derived from the sale of the PILOT Bonds shall be used, directly or indirectly, in such manner as to cause any PILOT Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code. Such investments shall be made by the Bond Trustee only at the specific written request (including telecopy) of an Authorized Representative of the Agency, such written request to specify the particular investment to be made. Any investment under the Master PILOT Indenture shall be made in accordance with the Tax Certificate, and the Agency shall so certify to the Bond Trustee with each such investment direction as referred to below. Such investments shall mature in such amounts and at such times as may be necessary to provide funds when needed to make payments from the applicable Fund. Net income or gain received and collected from such investments shall be credited and losses charged to the fund or account for which such investment shall have been made; provided, however, that such net income or gain shall be credited to (i) the PILOT Bonds Interest Account of the PILOT Bonds Bond Fund with respect to the investment of amounts held in the PILOT Bonds Bond Fund, and (ii) the PILOT Bonds Project Fund with respect to the investment of amounts held in the PILOT Bonds Project Fund or the PILOT Bonds Renewal Fund until completion of the Project, Capital Addition or restoration, as applicable and thereafter the PILOT Bonds Interest Account of the PILOT Bonds Bond Fund for application to the payment of Debt Service on the PILOT Bonds.

(b) At least ten (10) days prior to each PILOT Payment Date under the PILOT Agreement, the Bond Trustee shall notify the Agency of the amount of such net investment income or gain received and

collected subsequent to the last such PILOT Payment Date and the amount then available in the various Accounts of the PILOT Bonds Bond Fund.

(c) The Bond Trustee shall sell at the best price reasonably obtainable by it or present for redemption or exchange any obligations in which moneys shall have been invested to the extent necessary to provide cash in the respective Funds or Accounts, to make any payments required to be made therefrom, or to facilitate the transfers of moneys or securities between various Funds and Accounts as may be required from time to time pursuant to the provisions of the Master PILOT Indenture. As soon as practicable after any such sale, redemption or exchange, the Bond Trustee shall give notice thereof to the Agency.

(d) Except as otherwise provided in the Master PILOT Indenture, neither the Bond Trustee nor the Agency shall be liable for any loss arising from, or any depreciation in the value of any obligations in which moneys of the Funds and Accounts shall be invested or from any other loss, fee, tax or charge in connection with any investment, reinvestment or liquidation of an investment under the Master PILOT Indenture. The investments authorized by this summarized section shall at all times be subject to the provisions of applicable law, as amended from time to time.

(e) Qualified Investments shall be valued at the lesser of cost or market price, inclusive of accrued interest.

(f) The PILOT Bond Trustee shall deposit each additional settlement installment payment due to the Agency pursuant to the termination of the Reserve Fund Agreement by and among the Agency, Lehman Brothers Special Financing Inc. and The Bank of New York Mellon (in its capacity as Bond Trustee) first into the PILOT Bonds Interest Account, in an amount equal to Annual Debt Service with respect to interest for the next succeeding Bond Year less any amounts on deposit in the PILOT Bonds Interest Account and available to be applied to the payment of such Annual Debt Service with respect to interest, and second to the PILOT Bonds Principal Account, in an amount equal to Annual Debt Service with respect to principal for the next succeeding Bond Year; provided however, the Agency may direct the PILOT Bond Trustee to deposit such amounts in another Fund or Account under the PILOT Indenture upon receipt by the PILOT Bond Trustee of (A) a written direction of the Agency detailing the amount to be deposited into each such Fund or Account; and (B) an Opinion of Bond Counsel to the effect that such deposit will not in and of itself have an adverse effect on any exclusion of the interest payable on the PILOT Bonds from the gross income of the Holders of the PILOT Bonds for purposes of federal income taxation pursuant to Section 103 of the Code, and the exemption of the interest on the PILOT Bonds from the taxes imposed by the State.

#### Application of Moneys in Certain Funds for Retirement of PILOT Bonds.

Notwithstanding any other provisions of the Master PILOT Indenture, if on any Interest Payment Date or Redemption Date the amounts held in the Funds established under the Master PILOT Indenture (other than the PILOT Bonds Debt Service Reserve Fund, the PILOT Bonds Renewal Fund or the PILOT Bonds Rebate Fund) are sufficient to pay one hundred per centum (100%) of the principal or Redemption Price, as the case may be, of all Outstanding PILOT Bonds and the interest accruing on such PILOT Bonds to the next date on which such PILOT Bonds are redeemable or payable, as the case may be, whichever is earlier, the Bond Trustee shall so notify the Agency. Upon receipt of written instructions from the Agency directing such redemption, the Bond Trustee shall proceed to redeem all such Outstanding PILOT Bonds in the manner provided for redemption of such PILOT Bonds by the Master PILOT Indenture.

## **TRANSFER OF BONDS**

### Interchangeability, Transfer and Registry.

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

(b) Except as may be otherwise provided in a Supplemental PILOT Indenture authorizing particular PILOT Bonds, any PILOT Bond, upon surrender thereof at the designated corporate trust office of the Bond Trustee in the City with a written instrument of transfer in the form appearing on such PILOT Bond, duly executed by the registered owner or his duly authorized attorney-in-fact, with a guaranty of the signature thereon by a commercial bank or trust company having its principal office or correspondent in The City of New York, or by a member of the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of PILOT Bonds of the same Series and maturity of any other authorized denominations. However, the Bond Trustee will not be required to transfer or exchange any PILOT Bonds selected, called or being called for redemption in whole or in part.

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

(d) In all cases in which the privilege of transferring or exchanging PILOT Bonds is exercised, the Agency or the Bond Trustee may make a charge sufficient to reimburse it for any expenses and any tax, fee or other governmental charge required to be paid in connection therewith; any such expenses (including attorney's fees) shall be paid by the Holder requesting such transfer or exchange.

### PILOT Bonds Mutilated, Destroyed, Stolen or Lost.

In case any PILOT Bond shall become mutilated or be destroyed, stolen or lost, the Agency shall execute, and thereupon the Bond Trustee shall authenticate and deliver, a new PILOT Bond of like Series, maturity and unpaid principal amount as the PILOT Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated PILOT Bond, upon surrender and cancellation of such mutilated PILOT Bond, or in lieu of and in substitution for the PILOT Bond destroyed, stolen or lost, upon

filing with the Bond Trustee evidence reasonably satisfactory to it that such PILOT Bond has been destroyed, stolen or lost, and upon furnishing the Agency and the Bond Trustee with indemnity satisfactory to the Bond Trustee and to the Agency and complying with such other reasonable regulations as the Bond Trustee may prescribe and paying such expenses (including attorney's fees) as the Agency and the Bond Trustee may incur. All PILOT Bonds so surrendered to the Bond Trustee shall be cancelled by it. Every new PILOT Bond issued pursuant to the provisions of this summarized section by virtue of the fact that any PILOT Bond is destroyed, lost or stolen, shall, with respect to such PILOT Bond, constitute an additional contractual obligation of the Agency whether or not the destroyed, lost or stolen PILOT Bond shall be found and shall be enforceable at any time, and shall be entitled to all the benefits of the Master PILOT Indenture equally and proportionately with any and all other PILOT Bonds duly issued under the Master PILOT Indenture. In the event any such destroyed, stolen or lost PILOT Bond shall have matured, or be about to mature, the Agency may, instead of issuing a new PILOT Bond, cause the Bond Trustee to pay the same without surrender thereof upon compliance with the condition in the first sentence of this summarized section out of moneys held by the Bond Trustee and available for such purpose. All PILOT Bonds shall be held and owned upon the express condition (to the extent lawful) that the foregoing provisions are exclusive with respect to the replacement or payment of any mutilated, destroyed or lost or stolen PILOT Bond and shall preclude any and all other rights and remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

#### Cancellation and Destruction of PILOT Bonds.

All PILOT Bonds paid or redeemed, either at or before maturity, shall be delivered to the Bond Trustee when such payment or redemption is made, and such PILOT Bonds together with all PILOT Bonds purchased by the Bond Trustee, shall thereupon be promptly cancelled. PILOT Bonds so cancelled shall be held by the Bond Trustee or, upon the written request of the Agency, delivered to the Agency or destroyed.

#### Requirements With Respect to Transfers.

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

### **PARITY DEBT AND SUBORDINATED DEBT**

#### Qualified Swaps and Other Similar Arrangements; Parity Debt.

(a) The Agency may include the following provisions in a Supplemental PILOT Indenture authorizing the issuance of a Series of PILOT Bonds as the Agency deems appropriate, and no such provision shall be deemed to constitute an amendment to the Master PILOT Indenture requiring action under the Master PILOT Indenture, including, but not limited to:

(i) So long as an Enhancement Facility relating to any Series of PILOT Bonds is in full force and effect, and the issuer of the Enhancement Facility is not in default thereunder, then, in all such events, the Supplemental PILOT Indenture for such Series of PILOT Bonds may specify that either



(A) the issuer of such Enhancement Facility shall be deemed to be the sole owner of the Outstanding PILOT Bonds the payment of which such Enhancement Facility secures or secured when the approval, consent or action of the PILOT Bondholders is required or may be exercised under the Master PILOT Indenture, or (B) the approval, consent or action of the issuer of such Enhancement Facility shall be required in addition to the approval, consent or action of the applicable percentage of the Outstanding PILOT Bondholders the payment of which such Enhancement Facility secures or secured when the approval, consent or action of the holders of such PILOT Bonds is required or may be exercised under the Master PILOT Indenture.

(ii) In the event that the principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price, if applicable, or interest due on any Outstanding PILOT Bonds shall be paid under the provisions of an Enhancement Facility, all covenants, agreements and other obligations of the Agency to the holders of such PILOT Bonds shall continue to exist, and the issuer of the Enhancement Facility shall be subrogated to the rights of such PILOT Bondholders in accordance with the terms of such Enhancement Facility.

(b) In addition, such Supplemental PILOT Indenture may establish such provisions as are necessary (i) to comply with the provisions of any Enhancement Facility and Swap Insurance agreement that are not inconsistent with the Master PILOT Indenture, (ii) to provide relevant information and notices to the issuer of the Enhancement Facility and the provider of Swap Insurance, and (iii) to provide a mechanism for paying principal and Sinking Fund Installments of and interest on the Series of PILOT Bonds or on reimbursement obligations related thereto secured by, or purchased pursuant to, the Enhancement Facility and Insured Swap Payments under the provisions of any Swap Insurance agreement.

(c) The Agency may enter into agreements with the issuer of any Enhancement Facility and/or the provider of Swap Insurance providing for, among other things: (i) the payment of fees, costs, expenses and, to the extent permitted by law, indemnities to such issuer or provider, its parent and its assignees and participants in connection with such Enhancement Facility or Swap Insurance, (ii) the terms and conditions of such Enhancement Facility and the PILOT Bonds to which the Enhancement Facility relates or of reimbursement obligations related thereto affected thereby and/or such Swap Insurance and the Qualified Swap affected thereby, and (iii) the security, if any, to be provided for the issuance of such Enhancement Facility and/or such Swap Insurance. Any such agreement may provide for the purchase of PILOT Bonds or Reimbursement Obligations (as defined below) to which the Enhancement Facility relates by the issuer of such Enhancement Facility, with such adjustments to the rate of interest, method of determining interest, maturity (which shall not be inconsistent with the requirements of paragraph (d) immediately below), or redemption provisions, as shall be specified by the Supplemental PILOT Indenture authorizing the issuance of such PILOT Bonds.

(d) The Agency may, in an agreement with the issuer of any Enhancement Facility, agree to directly reimburse such issuer (or its assignees and participants, or any agent for the issuer or its assignees) for amounts paid by the issuer of the Enhancement Facility for the payment of the principal of, interest on, and Redemption Price or Purchase Price of PILOT Bonds under the terms of such Enhancement Facility (together with interest thereon, if any, and the amounts and obligations described in the next following three paragraphs, a "Reimbursement Obligation"), whether evidenced by an obligation to reimburse such issuer that is separate from the Agency's obligations on PILOT Bonds (a "Credit Facility Reimbursement Obligation") or by modified debt service obligations on PILOT Bonds acquired by such issuer (a "Liquidity Facility Reimbursement Obligation"). The obligation to reimburse a provider of Swap Insurance for the payment of Insured Swap Payments pursuant to such Swap Insurance agreement will be evidenced by obligations of the same lien as the Insured Swap Payments so paid (such obligations are referred to herein as "Swap Insurance Reimbursement Obligations"). Notwithstanding anything to the contrary contained in this paragraph, no Reimbursement Obligation shall be created, for purposes of the Master PILOT Indenture, until amounts are paid under the related Enhancement Facility or Swap Insurance agreement.

Interest on any such Reimbursement Obligation relating to an Enhancement Facility calculated at a rate higher than the interest rate on the related PILOT Bonds and principal amortization requirements with respect to such Reimbursement Obligation, including both payments on maturity and pursuant to any redemption provisions, and payments on any Reimbursement Obligation relating to Swap Insurance which provide for different terms than those provided for the payment of Insured Swap Payments under the related Qualified Swap, may be secured by a pledge of, and a lien on, the PILOT Bonds Trust Estate on a parity with the pledge and lien created under the Master PILOT Indenture applicable to such related PILOT Bonds and/or Qualified Swap if, and to the extent, the Agency designates, such Reimbursement Obligations as a Parity Reimbursement Obligation (the obligation of the Agency in respect of such interest and principal amortization or payment of such Insured Swap Payments is referred to herein as a “Parity Reimbursement Obligation”) in the Supplemental PILOT Indenture applicable to the Bonds receiving the benefits of such Enhancement Facility and/or the Qualified Swap receiving the benefits of such Swap Insurance. All Parity Reimbursement Obligations shall be deemed to be either (i) a part of the Series of Bonds to which the Enhancement Facility which gave rise to such Parity Reimbursement Obligations relates or (ii) a part of the Qualified Swap to which the Swap Insurance which gave rise to such Parity Reimbursement Obligations relates.

Any Credit Facility Reimbursement Obligation may include interest calculated at a rate higher than the interest rate on the related PILOT Bond. The following obligations also shall constitute Credit Facility Reimbursement Obligations: (i) payments of any fees, costs, expenses, indemnification, or other obligations to any such provider, its parent and its assignees and participants or any agent therefor, and (ii) payments pursuant to any advance, term-loan or other principal amortization requirements in reimbursement of any such advance or term-loan, provided that the total amount to be paid (including interest thereon) either (A) shall not be required to be paid faster than on a level debt service (principal and interest) basis (calculated in three (3) month intervals) over a period ending no sooner than three (3) years following the date on which such reimbursement obligation is incurred, with the first installment commencing no earlier than six (6) months after the date from which the Reimbursement Obligation is incurred, or (B) shall be paid from remarketing proceeds.

Any Liquidity Facility Reimbursement Obligation evidenced by PILOT Bonds of a Series may include interest calculated at a rate higher than the interest rate on other PILOT Bonds of such Series. The following obligations also shall constitute Liquidity Facility Reimbursement Obligations: (i) payments of any fees, costs, expenses, indemnification, or other obligations to any such provider, its parent and its assignees and participants or any agent therefor, and (ii) payments of differential and/or excess interest amounts.

(e) Any such Enhancement Facility shall be for the benefit of or secure only such PILOT Bonds or portion thereof as shall be specified in the applicable Supplemental PILOT Indenture. Any such Swap Insurance agreement shall be for the benefit of and secure such Regularly Scheduled Swap Payments and/or Swap Termination Payments or portion thereof as specified in the applicable Supplemental PILOT Indenture.

(f) In connection with the issuance of any PILOT Bonds except in connection with the issuance of the Initial PILOT Bonds or at any time thereafter so long as PILOT Bonds remain Outstanding, the Agency may, to the extent from time to time permitted pursuant to law, and with the written consent of the Bond Insurer, enter into Qualified Swaps.

To the extent provided in the agreement relating to a Qualified Swap, the Agency’s obligation to make any Regularly Scheduled Swap Payment under any Qualified Swap may, if so provided in the Supplemental PILOT Indenture for the PILOT Bonds to which such Parity Swap Obligation relates, be secured by a pledge of, and a lien on, the PILOT Bonds Trust Estate on a parity with the lien created by the

Master PILOT Indenture (a “Parity Swap Obligation”), but only to the extent that the payment of such amount relates to the same period for which interest has accrued on the PILOT Bonds to which such Parity Swap Obligation relates; provided, however, that no Parity Swap Obligation may be payable from or secured by amounts on deposit in the PILOT Bonds Debt Service Reserve Fund. Parity Swap Obligations shall not include Swap Termination Payments or Other Swap Payments or any payments of any other fees, expenses, indemnification or other obligations to a counterparty to a Qualified Swap, or any payments that represent payment of interest thereunder in advance of the payment of interest on the Bonds to which such Parity Swap Obligation relates, which payments shall constitute PILOT Bonds Subordinated Indebtedness.

Any amounts received by the Agency from a Qualified Swap Provider relating to a Parity Swap Obligation (other than a lump sum payment made upon the commencement of a related swap or as a termination payment in respect of a related swap) shall be deposited in the PILOT Bonds Interest Account to the extent that at the time of a receipt by the Agency of such amount the amount then on deposit therein shall be less than the amount then required to be on deposit therein and any amounts not required to be so deposited shall be deposited in the PILOT Bonds Revenue Fund.

In connection with the issuance or incurrence by the Agency of any Parity Debt, the Agency shall deliver to the Bond Trustee:

(i) A copy of the Supplemental PILOT Indenture for the Series of PILOT Bonds to which such Parity Debt relates, certified by an Authorized Representative of the Agency along with any documents required by such Supplemental PILOT Indenture to be delivered to the Bond Trustee in connection with the issuance or incurrence of such Parity Debt; and

(ii) A certificate of an Authorized Representation of the Agency certifying that such Parity Debt meets the requirements for a Parity Reimbursement Obligation or a Parity Swap Obligation, as appropriate.

If at any time the Agency has issued or incurred any Parity Debt and owes any amounts thereunder, whether or not then due and payable, all reference in the Master PILOT Indenture or in the Supplemental PILOT Indenture authorizing the Series of PILOT Bonds to which such Parity Debt relates to the PILOT Bonds of such Series or the PILOT Bondholders thereof shall be deemed to include reference to such Parity Debt and the holders thereof.

(g) For purposes of this summarized section, to the extent provided in a Supplemental PILOT Indenture, the term “issuer” of an Enhancement Facility for PILOT Bonds of a Series may include, in addition to the actual issuer or issuers thereof and any lender that is a party to, or is a participant in rights created under, such Enhancement Facility.

(h) Any reimbursement obligation, modified debt service provision, interest rate exchange or rate protection agreement, or other arrangements and costs, of the types (but not necessarily satisfying all requirements) described in this summarized section but applicable to PILOT Bonds Subordinated Indebtedness shall constitute PILOT Bonds Subordinated Obligations.

Issuance of PILOT Bonds Subordinated Indebtedness, PILOT Bonds Subordinated Obligations and Parity Debt.

(a) The Agency shall not issue any bonds, notes debentures or other evidences of indebtedness or enter into any contractual debt obligations secured by a pledge of the PILOT Bonds Trust Estate, other than the PILOT Bonds and Parity Debt as provided in the Master PILOT Indenture, and shall not create or cause to be created any lien or charge on the PILOT Bonds Trust Estate except to the extent provided in the

Master PILOT Indenture; provided, however, that the Agency may, at any time, or from time to time, incur PILOT Bonds Subordinated Indebtedness or enter into PILOT Bonds Subordinated Obligations payable out of, and which may be secured by a pledge of, such amounts as may from time to time be available for the purpose of the payment thereof in accordance with the Master PILOT Indenture and such pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge created by the Master PILOT Indenture as security for payment of the PILOT Bonds and Parity Debt; and provided further, however, that nothing contained in the Master PILOT Indenture shall prevent the Agency from issuing bonds, notes, or other evidences of indebtedness under another and separate resolution to finance a Separately Financed Program.

(b) It shall be a condition to the issuance of any PILOT Bonds Subordinated Indebtedness that the Bond Trustee shall have received each of the documents described in the Master PILOT Indenture with respect to the issuance of PILOT Bonds as though such requirements applied to PILOT Bonds Subordinated Indebtedness instead of PILOT Bonds.

## **REDEMPTION OF PILOT BONDS**

### Privilege of Redemption and Redemption Price.

PILOT Bonds or portions thereof subject to redemption prior to maturity pursuant to a Supplemental PILOT Indenture shall be redeemable, upon mailed notice as provided in the Master PILOT Indenture, at the times, at the Redemption Prices and upon such terms (in addition to and consistent with the terms contained in the Master PILOT Indenture) as shall be specified in the Supplemental PILOT Indenture authorizing such PILOT Bonds.

### Redemption at the Election of the Agency.

In the case of any redemption of PILOT Bonds at the election of the Agency, the Agency shall give written notice to the Bond Trustee of its election so to redeem, of the redemption date, of the Series, of the principal amounts of the PILOT Bonds of each maturity and interest rate of such Series to be redeemed (which Series, maturities, interest rates and principal amounts thereof to be redeemed shall be determined by the Agency in its sole discretion, subject to any limitations with respect thereto contained in any Supplemental PILOT Bonds). Such notice shall be given to the Bond Trustee at least forty-five (45) days prior to the redemption date or such shorter period as may be provided in the Supplemental PILOT Indenture or as shall be acceptable to the Bond Trustee. In the event notice of redemption shall have been given as in the summarized section entitled "Notice of Redemption" below provided, but subject to the second paragraph of said section, the Agency shall on or prior to the redemption date cause to be paid out to the appropriate PILOT Bonds Paying Agent out of money available therefore an amount in cash which, in addition to other money, if any, available therefor held by such PILOT Bonds Paying Agent, will be sufficient to redeem on the redemption date at the Redemption Price thereof, all of the PILOT Bonds to be redeemed.

The Agency may, in its sole discretion, purchase, at any time and from time to time, any PILOT Bonds which are redeemable at the election of the Agency as provided in a Supplemental PILOT Indenture at a purchase price equal to the redemption price therefore. To exercise any such option, the Agency shall give the Bond Trustee a written request exercising such option within the time periods specified in the related Supplemental PILOT Indenture as though such written request were a written request of the Agency for redemption, and the Bond Trustee shall thereupon give the Bondholders of the PILOT Bonds to be purchased notice of such purchase in the manner specified in the related Supplemental PILOT Indenture as though such purchase were a redemption. On the date fixed for purchase pursuant to any exercise of such an option, the Agency shall pay the purchase price of the PILOT Bonds then being purchased to the Bond

Trustee in immediately available funds, and the Bond Trustee shall pay the same to the sellers of such PILOT Bonds against delivery thereof. Following such purchase, the Bond Trustee shall cause such PILOT Bonds to be registered in the name of the Agency or its nominee and shall deliver them to the Agency or its nominee. Except to the extent otherwise directed by an Authorized Representative, no purchase of PILOT Bonds pursuant to such an option shall operate to extinguish the indebtedness of the Agency evidenced thereby. Any such option to purchase by the Agency either shall be conditioned on the provision of sufficient money therefor by the Agency or shall be an obligation of the Agency in the event that the Agency does not provide sufficient money therefor.

#### Selection of PILOT Bonds to be Redeemed.

In the event of redemption of less than all the Outstanding PILOT Bonds of the same Series and maturity, the particular PILOT Bonds or portions thereof to be redeemed shall be selected by the Bond Trustee in such manner as the Bond Trustee in its discretion may deem fair. Unless otherwise required by any Supplemental PILOT Indenture in the event of redemption of less than all the Outstanding PILOT Bonds of the same Series stated to mature on different dates, the principal amount of such Series of PILOT Bonds to be redeemed shall be applied in any order of maturity that the Agency may elect of the Outstanding Series of PILOT Bonds to be redeemed and by lot within a maturity. The portion of PILOT Bonds of any Series to be redeemed in part shall be in the principal amount of the minimum authorized denomination thereof or some integral multiple thereof and, in selecting PILOT Bonds of a particular Series for redemption, the Bond Trustee shall treat each such PILOT Bond as representing that number of PILOT Bonds of such Series which is obtained by dividing the principal amount of such registered PILOT Bond by the minimum denomination (referred to below as a "unit") then issuable rounded down to the integral multiple of such minimum denomination. If it is determined that one or more, but not all, of the units of principal amount represented by any such PILOT Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such PILOT Bond shall forthwith surrender such PILOT Bond to the Bond Trustee for (a) payment to such owner of the Redemption Price of the unit or units of principal amount called for redemption and (b) delivery to such owner of a new PILOT Bond or Bonds of such Series in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such PILOT Bond. New PILOT Bonds of the same Series and maturity representing the unredeemed balance of the principal amount of such PILOT Bond shall be issued to the registered owner thereof, without charge therefor. If the Holder of any such PILOT Bond of a denomination greater than a unit shall fail to present such PILOT Bond to the Bond Trustee for payment and exchange as aforesaid, such PILOT Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

#### Notice of Redemption.

When redemption of any PILOT Bonds is requested or required pursuant to the Master PILOT Indenture, the Bond Trustee shall give notice of such redemption in the name of the Agency, specifying the name of the Series, CUSIP number, Bond numbers, the date of original issue of such Series, the date of mailing of the notice of redemption, maturities, interest rates and principal amounts of the PILOT Bonds or portions thereof to be redeemed, the redemption date, the Redemption Price, and the place or places where amounts due upon such redemption will be payable (including the name, address and telephone number of a contact person at the Bond Trustee) and specifying the principal amounts of the PILOT Bonds or portions thereof to be payable and, if less than all of the PILOT Bonds of any maturity are to be redeemed, the numbers of such PILOT Bonds or portions thereof to be so redeemed. Such notice shall further state that there is on deposit in the PILOT Bonds Redemption Account moneys or securities in an amount which, together with moneys deposited at the same time as such notice, shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such PILOT Bonds on and prior to the Redemption Date or maturity date thereof, as applicable, and that on such date there shall

become due and payable upon each Bond or portion thereof to be redeemed the Redemption Price thereof together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice may set forth any additional information relating to such redemption. The Bond Trustee, at the direction of the Agency, in the name and on behalf of the Agency, shall mail a copy of such notice by certified mail, return receipt, postage prepaid, not more than 60 nor less than 30 days prior to the date fixed for redemption, to PILOT Bondholders, at their last address, if any, appearing upon the registration books, but any defect in such notice shall not affect the validity of the proceedings for the redemption of such Series of PILOT Bonds with respect to which proper mailing was effected. Any notice mailed as provided in this summarized section shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. In the event of a postal strike, the Bond Trustee shall give notice by other appropriate means selected by the Bond Trustee in its discretion. If any PILOT Bond shall not be presented for payment of the Redemption Price within sixty (60) days of the redemption date, the Bond Trustee shall mail a second notice of redemption to the PILOT Bondholder by certified mail, return receipt, postage prepaid. Any amounts held by the Bond Trustee due to non-presentation of PILOT Bonds for payments on or after any redemption date shall be retained by the Bond Trustee for a period of at least one year after the final maturity date of such PILOT Bonds.

If notice of redemption shall have been given as aforesaid, the PILOT Bonds of such Series called for redemption shall become due and payable on the redemption date. Any notice of optional redemption given pursuant to this summarized section may state that it is conditional upon receipt by the Bond Trustee of monies sufficient to pay the Redemption Price of such PILOT Bonds or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Bond Trustee to affected PILOT Bondholders as promptly as practicable upon the failure of such condition or the occurrence of such other event.

If a notice of optional redemption shall be unconditional, or if the conditions of a conditional notice of optional redemption shall have been satisfied, then upon presentation and surrender of the PILOT Bonds of such Series so called for redemption at the place or places of payment, such Series of PILOT Bonds shall be redeemed.

Notice of redemption of any Series of PILOT Bonds shall also be sent by the Bond Trustee to such additional Persons as may be specified in the Supplemental PILOT Indenture authorizing such Series.

Under no circumstances shall the Bond Trustee be required to expend any of its own funds for any purpose for which funds are to be disbursed under the Master PILOT Indenture.

#### Payment of Redeemed Bonds.

(a) Notice having been given in the manner provided in the summarized section entitled "Notice of Redemption", the PILOT Bonds or portions thereof so called for redemption shall become due and payable on the redemption dates so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the redemption of all the PILOT Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be held by the PILOT Bonds Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on the PILOT Bonds or portions thereof so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such PILOT Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(b) Payment of the Redemption Price plus interest accrued to the redemption date shall be made to or upon the order of the registered owner only upon presentation of such PILOT Bonds for cancellation and exchange as provided in the summarized section entitled “Cancellation of Redeemed Bonds”; provided, however, that any owner of at least \$1,000,000 in original aggregate principal amount of PILOT Bonds may, by written request to the Bond Trustee no later than five (5) days prior to the date of redemption direct that payments of Redemption Price and accrued interest to the date of redemption be made by wire transfer as soon as practicable after tender of the PILOT Bonds in Federal funds at such wire transfer address as the Holder shall specify to the Bond Trustee in such written request.

#### Cancellation of Redeemed Bonds.

(i) All PILOT Bonds redeemed in full under the provisions of the Master PILOT Indenture, shall forthwith be cancelled and returned to the Agency and no PILOT Bonds shall be executed, authenticated or issued under the Master PILOT Indenture in exchange or substitution therefor, or for or in respect of any paid portion of a PILOT Bond.

(ii) If there shall be drawn for redemption less than all of a PILOT Bond, as described in the summarized section entitled “Redemption at the Election of the Agency”, the Agency shall execute and the Bond Trustee shall authenticate and deliver, upon the surrender of such PILOT Bond, without charge to the Holder thereof, for the unredeemed balance of the principal amount of the PILOT Bond so surrendered, a PILOT Bond or PILOT Bonds of like Series and maturity in any of the authorized denominations.

#### No Partial Redemption After Default.

Anything in the Master PILOT Indenture to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default under the Master PILOT Indenture, there shall be no redemption of less than all of the PILOT Bonds Outstanding.

#### Special Mandatory Redemption.

(a) PILOT Bonds shall be subject to special mandatory redemption prior to maturity by the Agency in whole on any date or in part on any Interest Payment Date at a Redemption Price of one hundred percent 100% of the principal amount to be redeemed plus accrued interest, if any, to the date of redemption if either (1) a Casualty Event or less than a Substantial Taking has occurred during the last five (5) Lease Years of the Term of the Lease Agreement and the Company elects not to perform a Casualty Restoration or a Condemnation Restoration by terminating the Lease Agreement in accordance with its terms; or (2) a Substantial Taking has occurred.

(b) Upon the occurrence of one or more of the events described above, any and all Restoration Funds, condemnation awards and any other moneys on deposit in the PILOT Bonds Renewal Fund shall be transferred (1) to the PILOT Bonds Redemption Account in the PILOT Bonds Bond Fund and (2) to the Rental Bonds Trustee for deposit in the Rental Bonds Redemption Account in the Rental Bonds Bond Fund, in each case pro rata, in proportion to the aggregate amount of Outstanding PILOT and Rental Bonds, respectively, and used to pay the Redemption Price of PILOT Bonds and Rental Bonds. Any such redemption shall be made on the first date for which notice of redemption may be timely given by the Bond Trustee under the Master PILOT Indenture.

## **PARTICULAR COVENANTS**

### Agency's Obligations Not to Create A Pecuniary Liability.

Each and every covenant made in the Master PILOT Indenture, including all covenants made in the various sections under the heading "Particular Covenants", is predicated upon the condition that any obligation for the payment of money incurred by the Agency shall not create a debt of the State nor the City and neither the State nor the City shall be liable on any obligation so incurred, and the PILOT Bonds and any related Parity Debt shall not be payable out of any funds of the Agency other than those pledged therefor but shall be payable by the Agency solely from the PILOT Bonds Trust Estate and pledged to the payment thereof in the manner and to the extent in the Master PILOT Indenture specified and nothing in the PILOT Bonds, in the PILOT Assignment, in the PILOT Agreement or in the Master PILOT Indenture shall be considered as pledging any other funds or assets of the Agency.

### Payment of PILOT Bonds and Parity Debt.

The Agency covenants that it will from the sources contemplated in the Master PILOT Indenture promptly pay or cause to be paid the principal of, and interest on the PILOT Bonds, and any related Parity Debt, and the Redemption Price, if any, together with interest accrued thereon to the date of redemption, at the place, on the dates and in the manner provided in the respective Supplemental PILOT Indenture and in the PILOT Bonds according to the true intent and meaning thereof. The Agency shall promptly pay when due the Regularly Scheduled Swap Payments, Swap Termination Payments and Other Swap Payments at the places, on the dates, from the accounts and in the manner provided in the Master PILOT Indenture and in the Qualified Swaps pursuant to which such payments arise according to the true intent and meaning thereof. All covenants, stipulations, promises, agreements and obligations of the Agency contained in the Master PILOT Indenture shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Agency and not of any member, officer, director, employee or agent thereof in his individual capacity, and no resort shall be had for the payment of the principal of, redemption premium, if any, or interest on the PILOT Bonds and Parity Debt or Qualified Swaps or for any claim based thereon or under the Master PILOT Indenture against any such member, officer, director, employee or agent or against any natural person executing the PILOT Bonds. Neither the PILOT Bonds, the interest thereon, nor the Redemption Price thereof or any related Parity Debt shall ever constitute a debt of the State or of the City and neither the State nor the City shall be liable on any obligation so incurred, and the PILOT Bonds shall not be payable out of any funds of the Agency other than those pledged therefor. The Agency shall not be required under the Master PILOT Indenture or any other PILOT Document to expend any of its funds other than (i) the proceeds of the PILOT Bonds, (ii) the PILOT Revenues and other moneys held and pledged to the payment of the PILOT Bonds and (iii) any income or gains therefrom and (iv) the Restoration Funds and condemnation awards with respect to the Stadium.

### Performance of Covenants; Authority.

The Agency covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Master PILOT Indenture, each Supplemental PILOT Indenture, in any and every PILOT Bond executed, authenticated and delivered under the Master PILOT Indenture and in all proceedings pertaining thereto. The Agency covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the PILOT Bonds authorized by the Master PILOT Indenture and to execute the Master PILOT Indenture, any Qualified Swap or any Enhancement Facility entered into and to assign the PILOTS and to pledge the PILOT Revenues and receipts pledged by the Master PILOT Indenture in the manner and to the extent set forth in the Master PILOT Indenture; that all action on its part for the issuance of the PILOT Bonds and the execution and delivery of the Master PILOT Indenture has been duly and effectively taken; and that the



PILOT Bonds in the hands of the PILOT Bondholders and the Qualified Swaps and Enhancement Facilities, if any, are and will be the valid and enforceable obligations of the Agency according to the import thereof.

Covenants with respect to Completion PILOT Bonds.

In the event that the Stadium is not completed by the Scheduled Completion Date, the Agency shall either (i) deliver or cause to be delivered by the Company to the Bond Insurer on such Scheduled Completion Date evidence satisfactory to such Bond Insurer that the Stadium will be Substantially Complete within six months of the originally Scheduled Completion Date and that there is sufficient monies available to complete the Stadium or (ii) in the event that the Stadium will not be Substantially Complete within six months of the originally Scheduled Completion Date or that there is insufficient monies available to complete the Stadium, the Agency shall use commercially reasonable efforts to do all things necessary to issue Additional PILOT Bonds or Additional Rental Bonds in order to fund the completion of the Stadium subject to the receipt of an Amended PILOT Agreement to reflect Increased Annual PILOT Revenues or an Amended Stadium Sublease Agreement to reflect Increased Rental Revenues.

**EVENTS OF DEFAULT; REMEDIES OF BONDHOLDERS**

Events of Default.

- (a) Each of the following events is defined as and shall constitute an “Event of Default”:
- (i) Failure in the payment of the interest on any PILOT Bond or Parity Reimbursement Obligation when the same shall become due and payable;
  - (ii) Failure in the payment of the principal or redemption premium, if any, of any PILOT Bond and Parity Reimbursement Obligation, when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption thereof or otherwise, or interest accrued thereon to the date of redemption after notice of redemption therefor or otherwise;
  - (iii) Failure in the payment of any Swap Payment when the same shall become due and payable;
  - (iv) Failure of the Agency to observe or perform any covenant, condition or agreement in the PILOT Bonds or under the Master PILOT Indenture on its part to be performed (except as set forth in clauses (i) and (ii) above) and (A) continuance of such failure for a period of thirty (30) days after receipt by the Agency of written notice specifying the nature of such default from the Bond Trustee or the PILOT Bondholder, or (B) if by reason of the nature of such default the same can be remedied, but not within the said thirty (30) days, the Agency fails to proceed with reasonable diligence after receipt of said notice to cure the same or fails to continue with reasonable diligence its efforts to cure the same;
  - (v) The Agency, shall (A) apply for or consent to the appointment of or the taking of possession by a receiver, liquidator, custodian or trustee of itself or of all or a substantial part of its property, (B) admit in writing its inability, or be generally unable, to pay its debts as such debts generally become due, (C) make a general assignment for the benefit of its creditors, (D) commence a voluntary case under the Bankruptcy Code (as now or hereafter in effect), (E) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (F) take any action for the purpose of effecting any of the foregoing, or (G) be adjudicated a bankrupt or insolvent by any court;

(vi) A proceeding or case shall be commenced, without the application or consent of the Agency, in any court of competent jurisdiction, seeking, (A) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts, (B) the appointment of a trustee, receiver, liquidator, custodian or the like of the Agency or any substantial part of their respective assets, (C) similar relief under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing against the Agency shall be entered and continue unstayed and in effect, for a period of ninety (90) days or (D) the Agency shall fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against itself in an involuntary case under such Bankruptcy Code; or

(vii) With respect to a Series of PILOT Bonds, any additional events as may be specified in the Supplemental PILOT Indenture authorizing the issuance of such Series.

#### Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Event of Default, then and in every case the Bond Trustee may, with the consent of the Bond Insurer (as long as the Bond Insurer is not in material default of its obligations under the Bond Insurance Policy) and shall if so directed by the Bond Insurer (as long as the Bond Insurer is not in material default of its obligations under the Bond Insurance Policy), proceed to protect and enforce its rights and the rights of the PILOT Bondholders and Holders of Parity Debt under the Act and the PILOT Assignment forthwith by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, whether for the specific performance of any covenant or agreement contained in the Master PILOT Indenture, the PILOT Assignment or in aid of the execution of any power granted in the Master PILOT Indenture or in the Act or for the enforcement of any legal or equitable rights or remedies as the Bond Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights or to perform any of its duties under the Master PILOT Indenture or under the PILOT Assignment. In addition to any rights or remedies available to the Bond Trustee under the Master PILOT Indenture or elsewhere, upon the occurrence and continuance of an Event of Default the Bond Trustee may take such action, without notice or demand, as it deems advisable.

(b) In the enforcement of any right or remedy under the Master PILOT Indenture, the PILOT Assignment, or under the Act, the Bond Trustee, with the consent of the Bond Insurer (as long as the Bond Insurer is not in material default of its obligations under the Bond Insurance Policy), shall be entitled to sue for, enforce payment on and receive any or all amounts then or during any default becoming, and any time remaining, due, for principal, interest, Redemption Price, or otherwise, under any of the provisions of the Master PILOT Indenture, of the PILOT Assignment or of the PILOT Bonds (all references to PILOT Bonds appearing in the remainder of this summarized section shall include Parity Debt), and unpaid, with interest on overdue payments at the rate or rates of interest specified in the PILOT Bonds, together with any and all costs and expenses of collection and of all proceedings under the Master PILOT Indenture, under the PILOT Assignment and under the PILOT Bonds, without prejudice to any other right or remedy of the Bond Trustee or of the PILOT Bondholders, and to recover and enforce judgment or decree against the Agency, but solely as provided in the Master PILOT Indenture, the PILOT Assignment, and in the PILOT Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from the moneys in the PILOT Bonds Bond Fund and other moneys available therefor to the extent provided in the Master PILOT Indenture) in any manner provided by law, the moneys adjudged or decreed to be payable. The Bond Trustee shall file proof of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Bond Trustee and the PILOT Bondholders allowed in any judicial proceedings relative to the Agency or their creditors or property.

(c) Regardless of the occurrence of an Event of Default, the Bond Trustee, if so directed by the Bond Insurer (as long as the Bond Insurer is not in material default of its obligations under the Bond Insurance Policy), and in each case furnished with reasonable security and indemnity, shall institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Master PILOT Indenture or under the PILOT Assignment by any acts which may be unlawful or in violation of the Master PILOT Indenture or of the PILOT Assignment or of any resolution authorizing any PILOT Bonds, and such suits and proceedings as the Bond Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the PILOT Bondholders; provided, that such request shall not be otherwise than in accordance with the provisions of law and of the Master PILOT Indenture.

(d) Upon the occurrence and during the continuance of an Event of Default, the Bond Trustee, at the direction of the Bond Insurer (as long as the Bond Insurer is not in material default of its obligations under the Bond Insurance Policy), shall apply moneys on deposit in the PILOT Bonds Project Fund to the payment of principal of and interest on the PILOT Bonds.

#### Right of Bond Insurer and Bondholders to Direct Proceedings.

Anything in the PILOT Bond Indenture to the contrary notwithstanding, the Bond Insurer (so long as the Bond Insurer is not in material default of its obligations under the Bond Insurance Policy) or a majority of the PILOT Bondholders (if the Bond Insurer is in material default of its obligations under the Bonds Insurance Policy), shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Bond Trustee, with indemnity as may be required by the Bond Trustee pursuant to the summarized section entitled “Indemnity”, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Master PILOT Indenture or for the appointment of a receiver or any other proceedings under the Master PILOT Indenture; provided, however, that such direction shall not be otherwise than in accordance with the provisions of applicable law and of the Master PILOT Indenture. Subject to the rights of the Bond Insurer noted above in this summarized section, unless directed by fifty-one percent (51%) of the PILOT Bondholders pursuant to this summarized section, the Bond Trustee shall have full power in the exercise of its discretion for the best interests of the PILOT Bondholders, to conduct, continue, discontinue, withdraw, compromise, settle or otherwise dispose of any legal or equitable action or proceeding.

#### Application of PILOT Revenues and Other Moneys After Default.

(a) All moneys received by the Bond Trustee pursuant to any right given or action taken under the provisions of the Master PILOT Indenture or under the PILOT Assignment shall, after payment of the cost and expenses (including attorney’s fees) of the proceedings resulting in the collection of such moneys and of the expenses (including attorney’s fees), liabilities and advances incurred or made by the Bond Trustee and the PILOT Bondholder, be deposited in the PILOT Bonds Bond Fund and all moneys so deposited and available for payment of the PILOT Bonds shall be applied, subject to the section of the Master PILOT Indenture entitled “Compensation”, as follows:

(i) Unless the principal of all of the PILOT Bonds shall have become due and payable,

First - To the payment to the Persons entitled thereto of all installments of interest then due, together with accrued and unpaid interest on the PILOT Bonds Regularly Scheduled Swap Payments, and interest on Parity Reimbursement Obligations and, if the amount available shall not be sufficient to pay in full any installment or installments due on the same date, then to the payment thereof ratably, according to the amounts due thereon, 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, if any, of any of the PILOT Bonds or principal installments of Parity Reimbursement Obligation which shall have become due (other than PILOT Bonds or principal installments of PILOT Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Master PILOT Indenture) 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 of the PILOT Bonds or Principal Installments of Parity Reimbursement Obligations due on any date, then to the payment thereof ratably, according to the amount of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference;

Third - To the payment, pro rata, of the principal portion of any payment due as a Reimbursement Obligation on any Reserve Account Credit Facilities or Enhancement Facilities related to the PILOT Bonds;

Fourth – To the payment to the Persons entitled thereto of all installments of interest then due on PILOT Bonds Subordinated Indebtedness and any related Parity Debt, Swap Termination Payments and Other Swap Payments, in the order of the maturity of the installments of such interest and the due dates of such amounts due in respect of PILOT Bonds Subordinated Indebtedness and related Parity Reimbursement Obligation, Swap Termination Payments and Other Swap Payments; and if the amount available shall not be sufficient to pay in full any particular installment or amount then due, then to the payment ratably, according to the amounts due on such installments of interest then due on PILOT Bonds Subordinated Indebtedness and any related Reimbursement Obligation, Swap Termination Payments and Other Swap Payments, to the Persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the PILOT Bonds Subordinated Indebtedness or related Parity Reimbursement Obligation, Swap Termination Payments and Other Swap Payments;

Fifth - To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price of any of the PILOT Bonds Subordinated Indebtedness and any related Parity Reimbursement Obligation which shall have become due (other than PILOT Bonds Subordinated Indebtedness called for redemption for the payment of which monies are held pursuant to the provisions of the Master PILOT Indenture) in the order of their due dates, with interest on such PILOT Bonds Subordinated Indebtedness and any related Parity Reimbursement Obligations at the respective rates specified therein from the respective dates upon which they become due; and if the amount available shall not be sufficient to pay in full all the PILOT Bonds Subordinated Indebtedness and any related Parity Reimbursement Obligation due whether at maturity or by call for redemption on any particular date, together with such interest, then first to the payment of such interest ratably, according to the amount of such interest due on such date, and then to the amount of such principal, ratably, according to the amount of such principal or Redemption Price due on such date, to the Persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the PILOT Bonds Subordinated Indebtedness or the related Parity Reimbursement Obligation;

Sixth - To the payment, pro rata, of the principal portion of any payment due as a reimbursement on any Reserve Account Credit Facilities related to the PILOT Bonds Subordinated Indebtedness; and

Seventh - To the extent permitted by law, to the payment to the Persons entitled thereto of the unpaid interest on overdue installments of interest ratably, according to the amounts of such interest due on such date, without any discrimination or preference except as to any difference in the respective rates of interest specified in the PILOT Bonds, related Parity Debt, PILOT Bond Subordinated Indebtedness, Swap Termination Payments and Other Swap Payments.

(ii) If the principal of all the PILOT Bonds shall have become due, all such monies shall be applied *first* to the payment of the principal and interest then due and unpaid upon the PILOT Bonds and all Regularly Scheduled Swap Payments due under any Parity Swap Obligation relating to PILOT Bonds and all Parity Reimbursement Obligations relating to PILOT Bonds without preference or priority of PILOT Bonds over Parity Swap Obligations or Parity Reimbursement Obligations, or principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any PILOT Bond over any other PILOT Bond, or of any Parity Swap Obligation over any other Parity Swap Obligation or of any Parity Reimbursement Obligation over any other Parity Reimbursement Obligation, ratably, according to the amounts due respectively for principal and interest and amounts due under such PILOT Bonds Parity Swap Obligations, Parity Reimbursement Obligations, to the Persons entitled thereto, without any discrimination or privilege; *second* to the reimbursement, pro rata, of any Reserve Account Credit Facility Provider that provided a Reserve Account Credit Facility related to the PILOT Bonds; *third* to the payment of the principal and interest then due and unpaid upon the PILOT Bonds Subordinated Indebtedness, all Regularly Scheduled Swap Payments due under any Parity Swap Obligation relating to PILOT Bonds Subordinated Indebtedness, and all Swap Termination Payments and Other Swap Payments due under any Qualified Swap and all Parity Reimbursement Obligations without preference or priority of PILOT Bonds Subordinated Indebtedness over Parity Swap Obligations, Swap Termination Payments or Other Swap Payments or Parity Reimbursement Obligations, or vice versa, or principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any PILOT Bonds Subordinated Indebtedness over any other PILOT Bonds Subordinated Indebtedness, or of any Parity Swap Obligation over any other Parity Swap Obligation, or of any Swap Termination Payments over any other Swap Termination Payments, or of any Other Swap Payments over any Other Swap Payments, or of any Parity Reimbursement Obligation over any other Parity Reimbursement Obligation, ratably, according to the amounts due respectively for principal and interest and amounts due under such Parity Swap Obligations and as Swap Termination Payments or Other Swap Payments, respectively, to the Persons entitled thereto, without any discrimination or privilege; and *fourth* to the reimbursement, pro rata, of any Reserve Account Credit Facility Provider that provided a Reserve Account Credit Facility related to the PILOT Bonds Subordinated Indebtedness; and *fifth* to the extent permitted by law, to the payment to the Persons entitled thereto if the unpaid interest on overdue installments of interest ratable, according to the amounts of such interest due on such date, without any discrimination or preference, except as to any difference in the respective rates of interest specified in the PILOT Bonds, related Parity Debt, PILOT Bond Subordinated Indebtedness, Swap Termination and Other Swap Payments.

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

#### Actions by Trustee.

All rights of actions under the Master PILOT Indenture, under the PILOT Assignment or under any of the PILOT Bonds may be enforced by the Bond Trustee without the possession of any of the PILOT Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or

proceeding instituted by the Bond Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiff or defendant the PILOT Bondholder.

Individual Bondholder Action Restricted.

(a) No PILOT Bondholder shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provisions of the Master PILOT Indenture or the PILOT Assignment or the execution of any trust under the Master PILOT Indenture or for any remedy under the Master PILOT Indenture or under the PILOT Assignment, unless the PILOT Bondholder shall have previously given to the Bond Trustee written notice of the occurrence of an Event of Default as provided in the Master PILOT Indenture and the holders of at least twenty-five percent (25%) in principal amount of the PILOT Bonds then Outstanding shall have filed a written request with the Bond Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in the Master PILOT Indenture or in the PILOT Assignment or by the Act or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless the PILOT Bondholder shall have offered to the Bond Trustee adequate security and indemnity against the costs, expenses (including attorneys' fees) and liabilities to be incurred therein or thereby, and the Bond Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that the PILOT Bondholder shall not have any right in any manner whatever by its action to affect, disturb or prejudice the pledge created by the Master PILOT Indenture, or to enforce any right under the Master PILOT Indenture except in the manner provided in the Master PILOT Indenture; and that all proceedings at law or in equity to enforce any provision of the Master PILOT Indenture shall be instituted, had and maintained in the manner provided in the Master PILOT Indenture.

(b) Nothing in the Master PILOT Indenture, in the PILOT Assignment or in the PILOT Bonds contained shall affect or impair the right of the PILOT Bondholders to payment of the principal or Redemption Price, if applicable, of, and interest on any PILOT Bond at and after the maturity thereof, or the obligation of the Agency to pay the principal or Redemption Price, if applicable, of, and interest on each of the PILOT Bonds to the PILOT Bondholders at the time, place, from the source and in the manner in the Master PILOT Indenture and in said PILOT Bonds expressed.

Effect of Discontinuance of Proceedings.

In case any proceedings taken by the Bond Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Bond Trustee, then and in every such case, the Agency, the Bond Trustee, the PILOT Bondholders and the Holders to Parity Debt shall be restored, respectively, to their former positions and rights under the Master PILOT Indenture, and all rights, remedies, powers and duties of the Bond Trustee shall continue as in effect prior to the commencement of such proceedings.

Remedies Not Exclusive.

No remedy by the terms of the Master PILOT Indenture conferred upon or reserved to the Bond Trustee or to the PILOT Bondholders is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given under the Master PILOT Indenture or now or hereafter existing at law or in equity or by statute.

Delay or Omission.

No delay or omission of the Bond Trustee or of any PILOT Bondholder to exercise any right or power arising upon any default shall impair any right or power or shall be construed to be a waiver of any

such default or an acquiescence therein; and every power and remedy given by the Master PILOT Indenture to the Bond Trustee and the PILOT Bondholders, respectively, may be exercised from time to time and as often as may be deemed expedient by the Bond Trustee or by the PILOT Bondholders.

#### Notice of Default.

The Bond Trustee shall promptly mail to the Agency, the PILOT Bondholders, the Holders of Parity Debt, the Qualified Swap Provider and the Bond Insurer by first class mail, postage prepaid, written notice of the occurrence of any Event of Default. The Bond Trustee shall not, however, be subject to any liability to the PILOT Bondholders by reason of its failure to mail any notice required by this summarized section.

#### Waivers of Event of Default.

The Bond Trustee may waive any default under the Master PILOT Indenture and its consequences, subject to the consent of the Bond Insurer, and shall do so upon the request of the Bond Insurer (in each case as long as the Bond Insurer is not in default of its obligations under the Bond Insurance Policy) or the request of the holders of a majority in principal amount of the PILOT Bonds; provided, however, that there shall not be waived (a) any default in the payment of the principal of any Outstanding PILOT Bonds at the date specified therein or (b) any default in the payment when due of the interest on any such PILOT Bonds, unless, prior to such waiver, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the PILOT Bonds on overdue installments of interest in respect of which such default shall have occurred, and all arrears of payment of principal when due, as the case may be, and all expenses of the Bond Trustee in connection with such default shall have been paid or provided for, or in case any proceeding taken by the Bond Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Bond Trustee, then and in every such case the Agency, the Bond Trustee and the PILOT Bondholders shall be restored to their former positions and rights under the Master PILOT Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

#### No Acceleration of PILOT Bonds or Parity Debt.

Anything in the Master PILOT Indenture to the contrary notwithstanding, neither the Bond Trustee nor the holders nor the issuer of any Enhancement Facility nor a party to any Qualified Swap shall have the right to accelerate the maturity of any PILOT Bond or Parity Debt. The preceding sentence shall not be construed to prohibit any redemption of PILOT Bonds or Parity Debt at the option of the Holder, or issuer thereof or other party thereto, or if required pursuant to any Enhancement Facility, or any optional or mandatory tender of PILOT Bonds or Parity Debt pursuant to the terms thereof, or any early termination of a Qualified Swap.

### **BOND TRUSTEE AND PILOT BONDS PAYING AGENT**

#### Indemnity.

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

## **DISCHARGE OF MASTER PILOT INDENTURE**

### Defeasance.

(a) If the Agency shall pay or cause to be paid, or there shall otherwise be paid, to the PILOT Bondholders the principal or Redemption Price, if applicable, of, interest and all other amounts due or to become due thereon or in respect thereof, at the times and in the manner stipulated therein and in the Master PILOT Indenture, and all fees and expenses and other amounts due and payable under the Master PILOT Indenture, and any other amounts required to be rebated to the Federal government pursuant to the Tax Certificate or the Master PILOT Indenture, shall be paid in full, then the pledge of the PILOT Bonds Trust Estate under the Master PILOT Indenture and the rights granted by the Master PILOT Indenture, and all covenants, agreements and other obligations of the Agency to the PILOT Bondholders under the Master PILOT Indenture shall thereupon, upon receipt of an Opinion of Bond Counsel to the effect that the Agency has duly provided or caused to be provided for the payment to the PILOT Bondholder the amounts required to pay the principal or Redemption Price, if applicable, of, and interest on the PILOT Bonds, cease, terminate and become void and be discharged and satisfied and the PILOT Bonds shall thereupon cease to be entitled to any lien, benefit or security under the Master PILOT Indenture, except as to moneys or securities held by the Bond Trustee or the PILOT Bonds Paying Agents as provided below. At the time of such cessation, termination, discharge and satisfaction, (1) the Bond Trustee shall cancel and discharge the lien of the Master PILOT Indenture and deliver to the Agency all such instruments as may be appropriate to satisfy such liens and to evidence such discharge and satisfaction, and (2) the Bond Trustee and the PILOT Bonds Paying Agent shall pay over or deliver to the Agency or on its order all moneys or securities held by them pursuant to the Master PILOT Indenture which are not required (i) for the payment of principal or Redemption Price, if applicable, and interest on PILOT Bonds not theretofore surrendered for such payment or redemption, (ii) for the payment of all such other amounts due or to become due under the PILOT Indenture, or (iii) for the payments of any amounts the Bond Trustee has been directed to pay to the Federal government under the Tax Certificate or the Master PILOT Indenture.

(b) Outstanding PILOT Bonds or any portion thereof shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) immediately above either (A) as provided in the Supplemental PILOT Indenture authorizing their issuance or (B) if (i) in case any of said PILOT Bonds are to be redeemed on any date prior to their maturity, the Agency shall have given to the Bond Trustee, in form satisfactory to it, irrevocable instructions to mail, as provided in the Master PILOT Indenture, notice of redemption on said date of such PILOT Bonds, (ii) there shall have been irrevocably deposited with the Bond Trustee or other PILOT Bonds Paying Agent either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Bond Trustee or such PILOT Bonds Paying Agent at the same time, shall be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such PILOT Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) in the event such PILOT Bonds are not by their terms maturing or are not to be redeemed within the next succeeding sixty (60) days, the Agency shall have given the Bond Trustee, in form satisfactory to it, irrevocable instructions to mail, as soon as practicable, a notice to the holders of such PILOT Bonds that the deposit required by clause (ii) above has been made with the Bond Trustee and that said PILOT Bonds are deemed to have been paid in accordance with this summarized section, and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on such PILOT Bonds, and (iv) in the case of PILOT Bonds subject to optional or mandatory tender for purchase prior to the maturity or earlier redemption date specified for its payment pursuant to this summarized section, the Bond Trustee or such PILOT Bonds Paying Agent shall have received written confirmation from each Rating Agency to the effect that the deposit and provisions for



defeasance made pursuant to this summarized section will not, by themselves, result in the withdrawal, suspension or downgrade of any rating issued by such Rating Agency with respect to such PILOT Bonds. Neither Defeasance Securities nor moneys deposited with the Bond Trustee or other PILOT Bonds Paying Agent pursuant to this summarized section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said PILOT Bonds; provided, however, that any moneys on deposit with the Bond Trustee or such PILOT Bonds Paying Agent, (i) to the extent such moneys will not be required at any time for such purpose, shall be deposited in the PILOT Bonds Principal Account in the PILOT Bonds Bond Fund or, if paragraph (a) immediately above applies, paid over to the Agency as received by the Bond Trustee or such PILOT Bonds Paying Agent, free and clear of any trust, lien or pledge securing said PILOT Bonds or otherwise existing under the Master PILOT Indenture, and (ii) to the extent such moneys will be required for such purpose on another date, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient, together with any moneys available to the Bond Trustee or PILOT Bonds Paying Agent for such purpose, to pay when due the principal or Redemption Price, if applicable, and interest to become due on said PILOT Bonds on and prior to the redemption date or maturity date thereof, as the case may be. Notwithstanding any other provision of the Master PILOT Indenture, the Agency may, at the time any PILOT Bonds are deemed to have been paid within the meaning and with the effect expressed in paragraph (a) immediately above, elect to retain the right to redeem or require the tender of any such PILOT Bonds; provided, however, that such PILOT Bonds shall at all times comply with the requirements of this summarized section for such PILOT Bonds to be deemed to have been paid as aforesaid.

(c) Anything in the Master PILOT Indenture to the contrary notwithstanding, all instructions by the Agency, accepted by the Bond Trustee or any PILOT Bonds Paying Agent, given pursuant to this summarized section to mail notice of redemption of the PILOT Bonds of a Series (other than PILOT Bonds of such Series which have been purchased by the Bond Trustee at the direction of the Agency as therein provided prior to the mailing of such notice of redemption) shall be irrevocable and shall foreclose the exercise by the Agency of any other optional redemption right with respect to such PILOT Bonds, except that any such instructions may be revoked prior to any deposit pursuant to clause (B)(ii) of paragraph (a) of the summarized section entitled “Defeasance”.

(d) For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Securities and moneys, if any, in accordance with the Master PILOT Indenture, the interest to come due on such Variable Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such Maximum Rate for any period, the total amount of moneys and Defeasance Securities on deposit with the Bond Trustee for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited with the Bond Trustee on such date in respect of such Variable Rate Bonds in order to satisfy (B)(ii) of clause (a) above, the Bond Trustee shall, if requested by the Agency, pay the amount of such excess to the Agency free and clear of any trust, pledge, lien, encumbrance or security interest created by the Master PILOT Indenture.

(e) Anything in the Master PILOT Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of the principal or Redemption Price of or interest on any of the PILOT Bonds and amounts payable by the Agency under the Master PILOT Indenture and Parity Debt which remain unclaimed for two years after the date when such principal, Redemption Price, interest or amounts, respectively, have become due and payable, either at their stated maturity or due dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for two years after the date of deposit of such moneys if deposited with the Fiduciary after the date when such principal,

Redemption Price, interest or amounts, respectively, became due and payable, shall, at the written request of the Agency, be repaid by the Fiduciary to the Agency or such officer, board or body as then may be entitled by law to receive the same, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the holders of PILOT Bonds and the holders or issuers of or other parties to Parity Debt, as applicable, shall look only to the Agency or such officer, board or body for the payment of such principal, Redemption Price, interest or amounts, respectively. Before being required to make any such payment to the Agency, the Fiduciary shall, at the expense of the Agency, cause to be mailed to the holders, issuers or parties entitled to receive such moneys, at their last addresses, if any, appearing upon the registry books or other notice addresses on file with the Fiduciary or the Agency, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the mailing, the balance of such moneys then unclaimed will be returned to the Agency or such officer, board or body. The failure of any owner of PILOT Bonds, holders, issuers or parties to receive such notice shall not affect the application of moneys under this paragraph.

## **AMENDMENTS OF MASTER PILOT INDENTURE**

### Supplemental PILOT Indentures Without Bondholder Consent.

(a) The Agency and the Bond Trustee may, from time to time and at any time, enter into Supplemental PILOT Indentures without consent of the PILOT Bondholders for any of the following purposes:

(i) To cure any formal defect, omission or ambiguity in the Master PILOT Indenture or in any description of property subject to the lien of the Master PILOT Indenture, if such action is not materially adverse to the interests of the PILOT Bondholder;

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

(iii) To add to the covenants and agreements of the Agency in the Master PILOT Indenture other covenants and agreements to be observed by the Agency which are not contrary to or inconsistent with the Master PILOT Indenture as theretofore in effect;

(iv) To add to the limitations and restrictions in the Master PILOT Indenture other limitations and restrictions to be observed by the Agency which are not contrary to or inconsistent with the Master PILOT Indenture as theretofore in effect;

(v) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Master PILOT Indenture of the PILOT Bonds Trust Estate or of any other moneys, securities or funds, or to subject to the lien or pledge of the Master PILOT Indenture additional revenues, properties or collateral;

(vi) To modify or amend such provisions of the Master PILOT Indenture as shall, in the opinion of Nationally Recognized Bond Counsel, be necessary to assure that the interest on the PILOT Bonds not be includable in gross income for Federal income tax purposes;

(vii) To modify, amend or supplement the Master PILOT Indenture or any Supplemental PILOT Indenture in such manner as to permit the qualification of the Master PILOT

Indenture and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the PILOT Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the Master PILOT Indenture or any Supplemental PILOT Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;

(viii) to surrender any right, power or privilege reserved to or conferred upon the Agency by the Master PILOT Indenture;

(ix) to authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things mentioned or referred to in the Master PILOT Indenture, and also any other matters and things relative to such PILOT Bonds which are not contrary to or inconsistent with the Master PILOT Indenture as theretofore in effect (including without limitation to provide in the Supplemental PILOT Indenture authorizing such PILOT Bonds that either all or certain specified references in the Master PILOT Indenture to principal or Redemption Price of such PILOT Bonds shall be deemed to include reference, on a parity basis, to the Purchase Price of such PILOT Bonds) and in the case of Variable Rate Bonds, set forth provisions specifying the manner in which interest on Variable Rate Bonds is to be calculated for the purposes of various definitions and provisions of the PILOT Indenture, provisions providing for changes in interest rates, interest rate periods or interest payment dates for any Variable Rate Bond of a Series, provisions regarding a PILOT Bondholder's right or obligation to tender Variable Rate Bonds for redemption or purchase in lieu of redemption, and provisions governing the manner in which Variable Rate Bonds which the Holder thereof has the right to, or has exercised a right to, tender for redemption or purchase in lieu of redemption shall be treated for purposes of various definitions and provisions of the PILOT Indenture, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such PILOT Bonds;

(x) to authorize PILOT Bonds Subordinated Indebtedness and provide with respect thereto to the extent provided by, and otherwise not inconsistent with, the Master PILOT Indenture theretofore in effect;

(xi) to subject PILOT Bonds Subordinated Obligations and PILOT Bonds Subordinated Indebtedness to the lien on and pledge of the PILOT Bonds Trust Estate pursuant to the Granting Clauses on a subordinate basis;

(xii) to set forth or determine any matters which the Master PILOT Indenture specifies may be set forth or determined by a Supplemental PILOT Indenture, except as provided by the summarized sections entitled "Supplemental PILOT Indentures with Bondholder Consent" and "Consent of PILOT Bondholders";

(xiii) to comply with regulations and procedures as are from time to time in effect relating to any book-entry-only system, whether within or without the United States, for the registration of beneficial ownership interests in PILOT Bonds;

(xiv) to evidence the assignment and transfer of rights, and the delegation of duties and obligations, of the Agency by operation of law to another Agency, agency or instrumentality of the State that has indicated in writing its willingness to accept the rights of the Agency and to assume and discharge the duties and obligations of the Agency;

(xv) to modify any of the provisions of the Master PILOT Indenture in any other respect whatever with respect to any PILOT Bonds, provided that (i) (a) such modification relates only, and is to be effective prior to the issuance of, such PILOT Bonds, or (b) such modification relates only, and is to be

effective only upon the remarketing of, such PILOT Bonds in connection with an optional or mandatory tender thereof for purchase by or on behalf of the Agency, and (ii) such modification is disclosed in an offering or reoffering document applicable to such issuance or remarketing; or

(xvi) to modify any of the provisions of the Master PILOT Indenture in any other respect whatever, provided that such modification shall be, and shall be expressed to be, effective only after all PILOT Bonds Outstanding and outstanding or unpaid Parity Debt at the date of the execution and delivery of such Supplemental PILOT Indenture shall cease to be Outstanding or owing, as the case may be;

(xvii) to make any other modification or amendment of the Master PILOT Indenture which the Bond Trustee shall in its sole discretion determine will not have a material adverse effect on the PILOT Bondholders.

(b) Before the Agency and the Bond Trustee shall enter into any Supplemental PILOT Indenture pursuant to this summarized section, there shall have been filed with the Bond Trustee an Opinion of Bond Counsel stating that such Supplemental PILOT Indenture is authorized or permitted by the Master PILOT Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Agency in accordance with its terms.

#### Supplemental PILOT Indentures With Bondholder Consent.

Any modification or amendment of the Master PILOT Indenture and of the rights and obligations of the Agency and of the Holders, in any particular, may be made by a Supplemental PILOT Indenture, with the written consent given as provided in the summarized section entitled “Consent of PILOT Bondholders”, (i) of the holders of a majority in principal amount of the PILOT Bonds Outstanding at the time such consent is given, and (ii) in case less than all of the PILOT Bonds then Outstanding are affected by the modification or amendment, of the holders of a majority in principal amount of the PILOT Bonds so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as particular PILOT Bonds remain Outstanding, the consent of the holders of such PILOT Bonds shall not be required and such PILOT Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding PILOT Bonds under this summarized section. No such modification or amendment shall (a) permit a change in the terms of redemption or maturity of the principal of any Outstanding PILOT Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such PILOT Bond, (b) reduce the percentages or otherwise affect the classes of PILOT Bonds the consent of the PILOT Bondholders of which is required to waive an Event of Default or otherwise effect any such modification or amendment, (c) create a preference or priority of any PILOT Bond or PILOT Bonds over any other PILOT Bond or PILOT Bonds, without the consent of the Holders of all such PILOT Bonds, (d) create a lien prior to or on parity with the lien of the Master PILOT Indenture, without the consent of the holders of all of the PILOT Bonds then Outstanding, except to the extent permitted by the Master PILOT Indenture, or (e) change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of this summarized section, a PILOT Bond shall be deemed to be affected by a modification or amendment of the Master PILOT Indenture if the same materially and adversely affects the rights of the Holder of such PILOT Bond. The Bond Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment particular PILOT Bonds would be affected by any modification or amendment of the Master PILOT Indenture and any such determination shall be binding and conclusive on the Agency and all Holders of PILOT Bonds.

For the purposes of the Master PILOT Indenture, the purchasers of the PILOT Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase, may consent to a

modification or amendment permitted by the Master PILOT Indenture, except that no proof of ownership shall be required, and with the same effect as a consent given by the holder of such PILOT Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the PILOT Bonds of such Series.

#### Consent of PILOT Bondholders.

A Supplemental PILOT Indenture making a modification or amendment permitted by the provisions of the summarized section entitled “Supplemental PILOT Indentures With Bondholder Consent” may at any time be executed by the Agency and the Bond Trustee, to take effect when and as provided in this summarized section. A copy of such Supplemental PILOT Indenture (or brief summary thereof or reference thereto in form approved by the Bond Trustee) together with a request to the PILOT Bondholders for their consent thereto in form satisfactory to the Bond Trustee, shall be mailed by the Agency to the PILOT Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental PILOT Indenture when consented to as in this summarized section provided). Such Supplemental PILOT Indenture shall not be effective unless and until (a) there shall have been filed with the Bond Trustee (i) the written consents of holders of the percentages of Outstanding PILOT Bonds specified in the summarized section entitled “Supplemental PILOT Indentures With Bondholder Consent” and (ii) an Opinion of Bond Counsel stating that such Supplemental PILOT Indenture has been duly and lawfully executed and delivered by the Agency and filed by the Agency in accordance with the provisions of the Master PILOT Indenture, is authorized or permitted by the Master PILOT Indenture, and is valid and binding upon the Agency and enforceable in accordance with its terms, and (b) a notice shall have been mailed to holders as hereinafter in this summarized section provided. Any such consent, including without limitation any consent provided by the initial purchaser of a PILOT Bond from the Agency, shall be binding upon the Holder of the PILOT Bonds giving such consent and, anything in the summarized section entitled “Supplemental PILOT Indentures Without Bondholder Consent” to the contrary notwithstanding, upon any subsequent owner of such PILOT Bonds and of any PILOT Bonds issued in exchange therefor (whether or not such subsequent owner has notice thereof). At any time after the holders of the required percentages of PILOT Bonds shall have filed their consents to the Supplemental PILOT Indenture, the Bond Trustee shall make and file with the Agency, and retain on file, a written statement that the holders of such required percentages of PILOT Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter, notice, stating in substance that the Supplemental PILOT Indenture (which may be referred to as a Supplemental PILOT Indenture executed by the parties to the Master PILOT Indenture as of a stated date, a copy of which is on file with the Bond Trustee) has been consented to by the holders of the required percentages of PILOT Bonds and will be effective as provided in this summarized section, shall be given to PILOT Bondholders by the Bond Trustee by mailing such notice to PILOT Bondholders (but failure to mail such notice shall not prevent such Supplemental PILOT Indenture from becoming effective and binding as in this summarized section provided). The Bond Trustee shall retain on file proof of the mailing of such notice. A record, consisting of the papers required or permitted by this summarized section to be filed with the Bond Trustee, shall be proof of the matters therein stated. Such Supplemental PILOT Indenture making such amendment or modification shall be deemed conclusively binding upon the Agency, the Fiduciaries and the all PILOT Bondholders at the expiration of forty (40) days after the mailing of such last-mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental PILOT Indenture in a legal action or equitable proceeding for such purpose commenced within such forty day period; provided, however, that any Fiduciary and the Agency during such forty day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental PILOT Indenture as they may deem expedient.

### Modification by Unanimous Consent.

The terms and provisions of the Master PILOT Indenture and the rights and obligations of the Agency and of the PILOT Bondholders may be modified or amended in any respect upon the execution by the Agency and the Bond Trustee of a Supplemental PILOT Indenture, the filing of a fully executed copy with the Bond Trustee and the consent of all of the PILOT Bondholders then Outstanding, such consent to be given as provided in the summarized section entitled “Consent of PILOT Bondholders”; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Bond Trustee of the written assent thereto of such Fiduciary in addition to the consent of the PILOT Bondholders.

### Exclusion of PILOT Bonds.

PILOT Bonds owned or held by or for the account of the Agency shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding PILOT Bonds provided for in the Master PILOT Indenture, and the Agency shall not be entitled with respect to such PILOT Bonds to give any consent or take any other action provided for in the Master PILOT Indenture. At the time of any consent or other action taken under the Master PILOT Indenture, the Agency shall furnish the Bond Trustee a certificate of an Authorized Representative, upon which the Bond Trustee may rely, describing all PILOT Bonds so to be excluded.

### Notation on Bonds.

PILOT Bonds delivered after the effective date of any action taken as in the Master PILOT Indenture may, and, if the Bond Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the Agency and the Bond Trustee as to such action, and in that case upon demand of the Holder of any PILOT Bond Outstanding at such effective date and presentation of his PILOT Bond for the purpose at the office of the Bond Trustee designated for such purpose, suitable notation shall be made on such PILOT Bond by the Bond Trustee as to any such action. If the Agency or the Bond Trustee shall so determine, new PILOT Bonds so modified as in the opinion of the Bond Trustee and the Agency to conform to such action shall be prepared and delivered, and upon demand of the Holder of any PILOT Bond then Outstanding shall be exchanged, without cost to such PILOT Bondholders for PILOT Bonds of the same Series, maturity and interest rate then Outstanding, upon surrender of such PILOT Bonds.

### Consent of the Bond Insurer When Consent of Bondholder Required.

As long as any PILOT Bonds are Outstanding and insured as to the payment of principal and interest by a policy of insurance issued by a Bond Insurer and such Bond Insurer is not in default in respect of any of its obligations under such policy of insurance, such Bond Insurer, and not the registered PILOT Bondholders thereof, shall be deemed to be the Holder of any PILOT Bonds of any Series as to which it is the Bond Insurer at all times for the purpose of giving any approval or consent to the execution and delivery of any Supplemental PILOT Indenture or any amendment, change or modification of the Master PILOT Indenture which, as specified in the summarized section entitled “Supplemental PILOT Indentures With Bondholder Consent”, requires the written approval or consent of the holders of at least a majority in principal amount of PILOT Bonds of such Series at the time Outstanding.

## **AMENDMENTS OF PILOT BOND DOCUMENTS**

### Amendments of PILOT Documents Not Requiring Consent of Bondholders.

The Agency and the Bond Trustee may, without the consent of or notice to the PILOT Bondholders, consent to any amendment, change or modification of any of the PILOT Documents which may be required by the persons of the Master PILOT Indenture or the PILOT Documents, for the purpose of curing any ambiguity or formal defect or omission therein or which, in the judgment of the Bond Trustee will not have a materially adverse effect to the prejudice of the Bond Trustee or the PILOT Bondholders. The Bond Trustee shall have no liability to the PILOT Bondholders or any other person for any action taken by it in good faith pursuant to this summarized section.

### Amendments of PILOT Documents Requiring Consent of Bondholders.

Except as provided in the Master PILOT Indenture, the Agency and the Bond Trustee shall not consent to any amendment, change or modification of any of the PILOT Documents, without mailing of notice and the written approval or consent of the PILOT Bondholders or, if applicable, the Bond Insurer (so long as the Bond Insurer is not in material default of its obligations under the Bond Insurance Policy), given and procured as in the summarized section entitled “Supplemental PILOT Indentures With Bondholder Consent”. If at any time the Agency shall request the consent of the Bond Trustee to any such proposed amendment, change or modification, the Bond Trustee shall cause notice of such proposed amendment, change or modification to be mailed in the same manner as is provided in the Master PILOT Indenture with respect to Supplemental PILOT Indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal office of the Bond Trustee for inspection by all PILOT Bondholders, the Bond Insurer and each Qualified Swap Provider.

## **ADDITIONAL PROVISIONS RELATING TO THE PILOT BONDS — TAX COVENANT**

The Agency shall not take or omit to take any action which would cause interest and original issue discount (including the Accretions) on any Series 2020A PILOT Bond to be included in the gross income of any PILOT Bondholder thereof for federal income tax purposes by reason of subsection (b) of Section 103 of the Code. Without limiting the generality of the foregoing, no part of the proceeds of the Series 2020A PILOT Bonds or any other funds of the Agency shall be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Series 2020A PILOT Bond to be an “arbitrage bond” as defined in Section 148 of the Code and to be subject to treatment under subsection (b)(2) of Section 103 of the Code as an obligation not described in subsection (a) of said section. The Agency shall pay to the United States any amounts that are necessary for the purpose of compliance with the provisions of Section 148 of the Code. This provision shall survive the defeasance and payment of the Series 2020A PILOT Bonds.

Notwithstanding any other provision of the PILOT Indenture to the contrary, upon the Agency’s failure to observe, or refusal to comply with, the covenant in the last sentence of the preceding paragraph, the PILOT Bondholders or the Bond Trustee acting on their behalf, shall be entitled only to the right of specific performance of such covenant, to the extent permitted under the Master PILOT Indenture, and shall not be entitled to any of the other rights and remedies provided under the Master PILOT Indenture.

## APPENDIX C

### Summary of the Lease Agreement

*The following is a brief summary of certain provisions of the Lease Agreement. This summary does not purport to be comprehensive or complete, and reference is made to the Lease Agreement for full and complete statements of such and all provisions. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in APPENDIX A - "DEFINITIONS OF CERTAIN TERMS".*

**None of the payments made under the Lease Agreement will be pledged to or be available for the payment of debt service on the PILOT Bonds, including the Series 2020 PILOT Bonds. The PILOT Bonds, including the Series 2020 PILOT Bonds, are payable solely from PILOT Revenues derived from PILOTs made by the Company pursuant to the PILOT Agreement and certain funds and accounts held under the PILOT Indenture. Neither the holders of the PILOT Bonds, including the Series 2020 PILOT Bonds, nor the Bond Trustee will have any right to enforce the provisions or remedies under the Lease Agreement.**

The New York City Industrial Development Agency (the "Agency") has subleased the Land and leased the Stadium to the Company pursuant to the Lease Agreement. Excluded from the demise is the Police Substation. The City reserved easements to build-out, equip, support, operate, maintain, repair, restore, rebuild and replace the Police Substation and for ingress and egress to and from the Police Substation and agreed that its use of said easements may not unreasonably interfere with the use and enjoyment of the Stadium for its intended purpose. The City accepted the Police Substation as having been completed by the Company. All additional work related to the Police Substation is the responsibility of the City.

#### **Term**

The initial term of the Lease Agreement commenced on August 22, 2006 (the "Commencement Date") and will terminate on August 22, 2049, or if such date occurs during the Baseball Season, the ninetieth (90th) day following the end of the Baseball Season during which such date occurs, subject to sooner termination of the Lease Agreement in accordance with the provisions thereof (the "Expiration Date") (such term, the "Initial Term").

Notwithstanding the foregoing paragraph, if the Lease Agreement is in full force and effect, for each Team Season in which 50% or more of the regular season Team Home Games in a Baseball Season are canceled through no fault or default of the Company or the Team (player strikes, umpire strikes and owner lockouts are deemed to be no fault of the Company or the Team), and provided that the Team is not playing elsewhere during such Baseball Season so that at least 50% of such regular season Team Home Games take place at neither the Stadium nor elsewhere, the Company may by written notice extend the Initial Term through the conclusion of one additional Team Season; provided that in no event will the Term, as extended by this paragraph, together with any Extended Term(s), extend past the day prior to the expiration of the Ground Lease. Any such extension of the Initial Term will be on the same terms and conditions of the Lease Agreement, except there will be no right to any further extension of the Initial Term (except to the extent a Team Season is cancelled as aforesaid during the Initial Term as the same may be extended in accordance with this paragraph). No extension will be effective unless accompanied by an acknowledgement and stipulation executed by the Partnership confirming (x) the extension of the Non-Relocation Agreement for a period equal to the extension of the Initial Term of the Lease Agreement, but not taking into account any extension of the term effectuated pursuant to the next succeeding paragraph less one (1) day and (y) the extension of the Stadium Sublease Agreement for a



period equal to the extension of the Initial Term less one (1) day. Such extension of the Initial Term option may be exercised by the Company's delivering a written notice to the Agency of the exercise of such option, including an explanation of the basis for such extension (i.e., the reason for which the Team Season was canceled and the calculation of the percentage of Team Home Games canceled), on or before ninety (90) days following the termination of the Team Season which has been 'cancelled' (as described above). The Company has waived any right under the Lease Agreement to extend the Initial Term of the Lease Agreement due to a cancellation of a portion of the 2020 Team Season.

If the Lease Agreement is in full force and effect, the Company has the option to extend the Lease Agreement for up to five (5) consecutive Extended Terms, each having a term of ten (10) years, and thereafter one (1) immediately succeeding term of six (6) years. An Extended Term will commence upon the expiration of the Initial Term or immediately preceding Extended Term, as the case may be. The exercise of an extension option for an Extended Term will not be effective unless accompanied by a written acknowledgement and stipulation executed by the Partnership confirming the extension of the Stadium Sublease Agreement for a period equal to the Extended Term less one (1) day. Any Extended Term is on the same terms and conditions of the Lease Agreement, except there will be no right to any Extended Term other than up to the six (6) consecutive Extended Terms described in this paragraph. An Extended Term option may be exercised by the Company's delivering written notice to the Agency of the exercise of one or more (consecutive) Extended Term options, on or before the later of (x) one (1) year from the date on which the Term, but for the exercise of such Extended Term option, would otherwise expire and (y) thirty (30) days after the Agency delivers to the Company a notice that if the Company does not exercise its Extended Term option, the Term will expire in thirty (30) days from delivery of such notice, unless in the event of and during the continuation of an Event of Default, Recognized Mortgagee elects to extend the Term. So long as the tax exempt Bonds are outstanding, the Company's exercise of any option to extend the Lease Agreement for an Extended Term is conditioned upon there having been issued an opinion of Nationally Recognized Bond Counsel that the extension of the Lease Agreement for such Extended Term will not cause the interest on the tax-exempt Bonds to be includable in gross income for Federal income taxes. The Company must furnish or cause to be furnished to the Agency such information as the Agency requests in order for such Nationally Recognized Bond Counsel to make such determination. The Agency will cause Nationally Recognized Bond Counsel to issue such opinion or inform the Company of the reasons for which such opinion cannot be issued within twenty (20) Business Days of such request.

### **Company's Construction Obligations**

The Company, as agent of and on behalf of the Agency, was obligated to (i) cause construction of the Stadium Project to commence by June 1, 2008, (ii) diligently prosecute such construction and (iii) use commercially reasonable efforts to cause the Stadium Project to be Substantially Completed by December 31, 2012. Subject to the terms and conditions of the Bond Documents, including, without limitation, Section 2.01 of the PILOT Indenture, the Agency was obligated to issue the Bonds and provide the proceeds thereof for this purpose. The Agency may not take any unilateral action pursuant to the Bond Documents, including without limitation, making an Extraordinary Mandatory Redemption under the provisions of Section 3.03 of the Supplemental PILOT Indenture, such that the Bonds will not be available for such purpose.

The Agency appointed the Company as its agent (i) to acquire, re-acquire, construct, re-construct renovate, equip with fixtures, technology and otherwise install, reinstall, furnish, fit-out, improve, re-improve, decorate, paint, refurbish and provide plantings, furniture and other personalty for the Stadium Project in accordance with the Plans and Specifications, (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other Persons, and in general to do all things that may be requisite or proper, all for constructing maintaining and operating the Stadium Project

and acquiring re-acquiring, installing and re-installing the Equipment with the same powers and with the same validity as the Agency could do if acting on its own behalf, (iii) to pay all fees, costs and expenses incurred in the construction, maintenance and operation of the Stadium Project and the acquisition, requisition, installation and re-installation of the Equipment, and (iv) to ask, demand, sue for, levy, recover and receive all such sums or money, debts, dues and other demands whatsoever which may be due, owing and payable to the Agency under the terms of any contract, order, receipt, or writing in connection with construction and completion of the Improvements and the acquisition, re-acquisition, installation and re-installation of the Equipment, and to enforce the provisions of any contract, agreement, obligation, bond or other performance security.

The Company, as agent of the Agency, will undertake the design, development, acquisition, re-acquisition, construction, re-construction and equipping of the Stadium Project with funds to be made available for such purpose under the PILOT Indenture and the Rental Indenture in accordance with the terms of such instruments.

## **Rent**

The Company shall pay the Agency Base Rent at the rate of Ten Dollars (\$10.00) per year. The Company will also make payments of Additional Rent in the amounts and in the manner set forth in Exhibit C attached to the Lease Agreement. Such Additional Rent includes amounts necessary to pay Debt Service on the Rental Bonds, payments due to the Rental Bonds Trustee under the Rental Indenture, payments due to the Bond Insurer in connection with the Rental Bonds and the amount, if any, required to be deposited in any subaccount in the Rental Bonds Prepaid Rent Account in the Rental Bonds Bond Fund for the amount on deposit in such subaccount to equal the Rental Bonds Prepaid Rent Account Funding Requirement for the Series of Rental Bonds supported by such subaccount.

The Company also pays to New York City Department of Parks & Recreation (or its successors in function), not later than October 1 of each year during the Term, an annual administration fee of \$788,600 per annum for forty (40) years, commencing October 1, 2009.

During each Extended Term (if any) the Company will pay Base Rent equal to the Fair Market Rental Value for the Stadium. Fair Market Rental Value will be determined in the following manner: not more than one (1) year and at least six (6) months prior to the date on which the Base Rent is to be adjusted based on Fair Market Rental Value, the Company will submit to the Agency an appraisal setting forth the Fair Market Rental Value and a letter stating that the Agency has forty-five (45) days in which to accept or dispute the Company's determination of Fair Market Rental Value. The Agency will have forty-five (45) days within which to accept or dispute the Company's determination, and if not disputed within such period, such Fair Market Rental Value will be deemed accepted by the Agency. If the Agency disputes the Company's determination of Fair Market Rental Value for the Stadium, then the Agency must engage an appraiser and deliver its appraisal to the Company within forty-five (45) days after the date on which the Agency notifies the Company that it disputes the Company's determination of Fair Market Rental Value. If the Agency's determination of Fair Market Rental Value does not agree with the Company's determination of Fair Market Rental Value, the Agency and the Company will attempt to resolve such disagreement, and if such disagreement is not resolved and reduced to a written stipulation within thirty (30) days after the Company received the Agency's determination of Fair Market Rental Value of the Premises, each of the Agency's and the Company's appraisers will meet within ten (10) days after the expiration of such thirty (30) day period to attempt to agree on the Fair Market Rental Value. If, within twenty (20) days after such meeting, the two appraisers are unable to agree upon the valuation, they themselves will appoint a third impartial appraiser. Within forty-five (45) days after the appointment of such third appraiser, the third appraiser must choose one of the determinations of the two appraisers originally selected by the parties, such choice being final and decisive. If the first two

appraisers are unable to agree upon the appointment of a third appraiser within fifteen (15) days after the expiration of said forty-five (45) day period, such third appraiser will be selected by the parties themselves if they can agree thereon within a further period of fifteen (15) days. If the parties do not so agree, then either party, on behalf of both, may apply to the Supreme Court of Bronx County for the appointment of the third appraiser. Any appraiser so selected or appointed must be a member of the American Institute of Real Estate Appraisers (or a successor organization), be an appraiser, and, to the extent such expertise is available, be experienced in the appraisal of sports arenas, but in any event have been doing business as such in New York City for a period of at least ten (10) years before the date of such appointment. Each party will pay the fees and expenses of its respective appraiser and both shall share the fees and expenses of any third appraiser. Each party is responsible for the fees and expenses of its own attorney and other representatives in connection with such appraisal. The term "Fair Market Rental Value" means the annual fair market rental value of the Stadium as of the date that such valuation is agreed to or made by the appraiser(s) (but not more than one (1) year prior to the date on which Base Rent is to be adjusted based upon such appraisal). The Fair Market Rental Value appraisal will be made considering all burdens, costs and expenses borne by the Company in connection with the Stadium and the Company's use thereof, including, without limitation, the Stadium in its then "as-is" condition, all necessary or desirable improvements and replacements (which consideration will take account of the quality of and amenities existing at professional major league baseball stadiums at the time) and the cost of financing such improvements and replacements, the Stadium as encumbered by the Lease Agreement in its then-existing state of title, that the Company is responsible for all maintenance, repair, improvement, replacement, taxes (other than Taxes), Impositions and operating costs of the Stadium as set forth in the Lease Agreement and any other factors relevant to such determination.

If Fair Market Rental Value has not been determined on the date on which Base Rent is to be paid based upon such Fair Market Rental Value, Base Rent will be paid in the amount paid immediately prior to such adjusted Base Rent period (except that with respect to the first Extended Term, Base Rent will be payable in the Fair Market Rental Value amount set forth in Company's appraisal), and upon such determination adjustment for overpayment or underpayment will be made within sixty (60) days following such determination of Fair Market Rental Value.

### **Naming Rights, Advertising and Signage**

The Company has the exclusive right to affiliate itself or partner with one or more third parties and/or grant to itself or one or more third parties the Naming Rights, subject to the provisions of the Lease Agreement concerning size, location and appearance. The name "Yankee Stadium" has been approved by the Agency.

The Company has the right to place Advertising Signage on the exterior of the Stadium in accordance with the provisions of the Lease Agreement. In general, the Company may display Advertising Signage (including without limitation naming rights for parts of the Stadium) anywhere and everywhere within the interior of the Stadium in its sole discretion.

### **Operation of the Premises**

The Company, as agent of the Agency, is responsible for operating and maintaining the Premises. During all Team Events and all other Stadium events, the Company will operate and maintain the Premises or cause the Premises to be operated and maintained as a high quality (subject to ordinary wear and tear and obsolescence) professional sports facility and in a safe, clean and reputable manner and in good repair, and in compliance with all Requirements and, when applicable, with all MLB Actions, MLB Documents and MLB Rules and Regulations. The Company, as agent of the Agency, is responsible for providing cleaning and janitorial services, snow removal, trash collection and disposal, utilities, graffiti

removal, winterizing of the irrigation system and field care and all costs thereof or associated therewith (including supplies and personnel costs). In addition, the Company, as agent of the Agency, is responsible for providing and/or performing: (i) the operation of any and all Concession Facilities, (ii) the operation of any and all ticket offices and booths at the Premises, (iii) the provision of first aid facilities and medical personnel reasonably necessary for each event, (iv) the provision of security services and personnel reasonably necessary to ensure the safety and security of the Premises and all participants and spectators at every event during the Term. The Company will fully cooperate with the New York City Police Department in connection with security, crowd control and traffic measures, but, except to the extent responsibility has been assumed by the New York City Police Department, is responsible for all security inside the Stadium and (v) all other event personnel reasonably necessary to conduct events in a safe, clean and reputable manner.

The Company is solely responsible for all costs incurred for, in connection with, or associated with the operation of the Premises. The Company's responsibilities for costs associated with respect to the Police Substation are limited to those expressly provided in the Lease Agreement.

### **Use**

The Company has the right to use the Premises, year round, for (i) Team Events, and (ii) any and all other lawful purposes, including but not limited to other entertainment, religious, sporting, cultural, recreational, promotional, community and civic events (such as private parties, auctions, tours, conventions, convocations, concerts, commercial film and television shoots and meetings) and all purposes incidental thereto.

The Stadium will be used for the Team to play Team Home Games in accordance with and to the extent required by Section 2.1.1 of the Non-Relocation Agreement (such covenant shall apply for any Extended Term (if the Company exercises the applicable extension option) notwithstanding that the Non-Relocation Agreement itself may no longer be in force and effect). The Company will not terminate, or accept any surrender of, the Stadium Sublease Agreement, without the prior written consent of the Agency, to be provided in its sole and absolute discretion, such covenant to be enforceable by the Agency through all equitable remedies, including without limitation injunction and specific performance. The covenant set forth in the preceding sentence does not apply to a Recognized Mortgagee that succeeded to the Company's interest under the Lease Agreement as a result of its exercise of its remedies under its Mortgage or a termination expressly permitted by the Stadium Sublease Agreement, as described in this Official Statement.

The Company may charge and retain admission, usage and/or license fees for all events and activities at the Premises, and determine, in its sole discretion, the prices and terms of tickets to all events taking place at the Premises.

The Company may use the Premises for coverage of events at the Premises in all media.

The Company has the sole right to collect and retain for its own account all revenues derived from all events and activities at the Premises and may enter into Subleases, licenses or other agreements, subject to the terms of the Lease Agreement, pursuant to which the other contracting party may retain Stadium revenue.

### **The Agency's Suite**

The Agency is entitled to the use of a suite at the New Stadium and assigned its right to such suite to the City. The Lease Agreement provides; inter alia, that:

(i) the City has the right to use such suite (subject to its right from time to time to agree not to exercise such rights to use such suite for one or more calendar years, commencing January 1, 2014); and

(ii) With respect to each calendar year that the City agrees not to exercise such rights (each a “Non-Use Year”), the Company will (a) cause Partnership to use reasonable efforts to license such suite at market rates (as reasonably determined by Partnership) for all preseason, regular season and post-season Team Home Games played at the Stadium and all other Stadium events, (b) cause the Partnership to use reasonable efforts to sell tickets for such suite for pre-season, post-season and regular season Team Home Games with respect to such Non-Use Year (other than “jewel events”) (“Landlord’s Suite Ticket Sales”), and (c) pay the City an amount equal to any receipts derived by the Partnership from (A) the licensing such suite during each Non-Use Year and (B) Landlord’s Suite Ticket Sales less (v) refunds or credits resulting from the postponement or cancellation of Team Home Games or other Stadium events; (w) receipts derived by the Partnership for food and beverages and from furnishing extra services and amenities to the licensee, the licensee’s guests and other users and occupants of such suite; (x) taxes payable by the Partnership in connection with such receipts (other than income, franchise and similar taxes), (y) commissions paid by the Partnership for the procurement of a user/licensee of such suite, and (z) certain out of pocket marketing expenses paid by Partnership (the amount so payable to the City with respect to any calendar year, “Landlord’s Suite Payment”). In no event will Landlord’s Suite Payment be less than One Hundred Thousand Dollars (\$100,000.00) with respect to any Non-Use Year.

### **Concessions**

The Company has the exclusive right, to provide and operate (or cause or permit other Persons to provide and operate) Concession Facilities at the Premises. The Company has the right to collect and retain all revenues derived from such Concession Facilities and to assign collection of such revenues and the determination of prices.

### **Impositions**

The Company, as agent of the Agency, will pay all Impositions that, with respect to any period occurring during the Term, are, or would be, if the Premises or any part thereof or the owner thereof were not exempt therefrom (but taking into account any exemptions that the Company is entitled to on an as of right basis or any discretionary exemption that the Company may apply and be approved for), assessed, levied, confirmed, imposed upon, or would be charged to the owner of the Premises with respect to (i) the Premises, (ii) the sidewalks or streets in front of or adjoining the Premises, (iii) any vault, passageway or space in, over or under such sidewalk or street, (iv) any other appurtenances of the Premises, (v) any personal property or other facility used in the operation thereof, (vi) other Rental (or any portion thereof) or any other amount payable by the Company under the Lease Agreement, (vii) the use and occupancy of the Premises, or (viii) the Lease Agreement or the leasehold estate created thereby.

The Company must pay each Imposition or installment thereof not later than the date the same may be paid without interest or penalty. However, if by law, at the Company’s option, any Imposition may be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), the Company may exercise the option to pay the Imposition in such installments and shall be responsible for the payment of such installments when due with such interest as may be required by law.

Any Imposition relating to a fiscal period of the taxing authority, a part of which is included within the Term and a part of which is included in a period of time before the Commencement Date or

after the Expiration Date, shall be apportioned pro rata between the Agency and the Company as of the Commencement Date or the Expiration Date.

At all times during the Term, no Taxes or general assessments shall be levied against the Premises.

During any part of the Term that the Agency or any other entity which has a statutory exemption from Taxes is the holder of the Agency's interest under the Lease Agreement, the Agency shall avail itself of its statutory exemption from Taxes and general assessments. If notwithstanding the Agency's statutory exemption from Taxes during the Term, Taxes or general assessments are nevertheless levied against the Premises, the Agency will cause the City to cancel or discharge or otherwise satisfy such Taxes or general assessments.

At any time during the Term that neither the Agency nor any other entity which has a statutory exemption from Taxes is the holder of the Agency's interest is not the Agency under the Lease Agreement, the Agency will, or cause the City to, discharge or cancel or otherwise satisfy and cause to be discharged of record all Taxes and general assessments on or before the due date thereof (which may be by bookkeeping entry, interdepartmental direction or other manner or procedure selected by the Agency).

If the Agency fails to pay, exempt, cancel, discharge or cause to be paid, exempted, canceled or discharged any Taxes and/or such general assessments as required under the Lease Agreement and (i) has not timely commenced a proceeding to contest the same, or (ii) has timely commenced such a proceeding but any failure to pay the Taxes and/or such general assessments during the pendency of such proceeding would result in the imminent loss or forfeiture of the Premises and termination of the Lease Agreement or the Company's leasehold estate under the Lease Agreement or any other material adverse consequence to the Company's rights under the Lease Agreement, the Company has the right (a) to pay, but is not required to pay, such unpaid Taxes and/or such general assessments, together with any interest or penalties due in respect thereof, and (b) to require the Agency to cause the City to reimburse the Company for such payment, together with interest at the Interest Rate.

### **Ordinary Repairs and Maintenance**

The Company, as agent of the Agency, is solely responsible for all maintenance and repair of the Premises (but not with respect to the Police Substation, except as expressly set forth in the Lease Agreement), including the performance of all maintenance and repairs reasonably necessary to cause the Premises to be in compliance with all Requirements and MLB Documents, keeping and maintaining the Premises in clean and good working order and operating as a high quality professional sports facility, subject to ordinary wear and tear and obsolescence. The Company, as agent of the Agency, is responsible for all costs and expenses incurred in connection with its maintenance and repair obligations under the Lease Agreement.

The Company must give the Agency and the City prompt notice of any fire or other casualty, major accident, material loss, material damage or dangerous or defective condition at the Premises.

The Agency has the right to inspect the Premises and all maintenance and repair work performed by the Company at the Premises on reasonable notice and at reasonable times for the purpose of ensuring that the Company is complying with its obligations under the Lease Agreement, including, without limitation, its maintenance and repair obligations. Any conditions presenting any reasonably avoidable threat to public health or safety, or any nuisance, or which are inconsistent with the good and proper operation of the Stadium as a high quality professional sports facility (subject to ordinary wear and tear

and obsolescence) which are identified by the Agency or the City and of which the Company is notified, will be promptly remedied by the Company to the extent commercially practicable.

### **Capital Improvements by the Company**

If the Company, as agent of the Agency, desires to construct any Capital Improvements at the Premises, whether in, as part of, or outside of the Stadium, the Company must submit to the Agency (i) plans, specifications and schematic drawings therefor; (ii) a schedule for the construction of such Capital Improvements; (iii) assurance of available funding to complete the proposed Improvement, such as available cash or other assurance of completion reasonably satisfactory to the Agency; and (iv) any other information related to such construction that the Agency reasonably requests (subject to the limitations contained in the Lease Agreement).

Each proposed Capital Improvement materially affecting a Reviewable Feature is subject to the prior written approval of the Agency, to be given or withheld in the Agency's reasonable discretion. No such approval shall be required if the Capital Improvement is a replacement, without material change, of any feature incorporated in the initial construction of the Stadium or otherwise previously approved by the Agency.

All Capital Improvements must comply with Requirements, and the proposed materials, workmanship and/or performance standards of the proposed Capital Improvement must be of comparable quality to that which is being replaced or renovated, or must be generally consistent with the quality of the Stadium as a high quality, Major League Baseball stadium.

For as long as the tax exempt Bonds are outstanding, the Company will not incur any capital expenditures, whether or not qualifying as a Capital Expenditure, unless, (a) the Company certifies to the Agency, in a form acceptable to Nationally Recognized Bond Counsel, that (i) the expected useful life of the improvement to which such capital expenditures relate does not extend beyond the Initial Term of the Lease Agreement or (ii) the amount of the improvement to which such capital expenditures relate for a given Lease Year, when added to the amounts of all other improvements made during such Lease Year, does not exceed the amount deposited into the O&M Fund for such Lease Year pursuant to the PILOT Assignment, (b) the capital expenditures are financed with bonds issued by the Agency, the interest on which is not excludable from gross income for Federal income tax purposes, or (c) there has been issued an opinion of Nationally Recognized Bond Counsel that such capital expenditure will not cause the interest on the tax-exempt Bonds to be includable in gross income for Federal income taxes. The Company will furnish or cause to be furnished to the Agency such information as the Agency requests in order for Nationally Recognized Bond Counsel to issue such opinion or inform the Company of the reasons for which such opinion cannot be issued within twenty (20) Business Days of such request.

If the Agency's approval is required for a proposed Capital Improvement, and the Agency has reasonable objections insofar as they relate to the Reviewable Features that represent a Material Change, the Agency will so notify the Company, specifying the objection, and the Company will revise them to so conform and shall resubmit the plans and specifications with respect thereto to the Agency for review (unless the Company elects not to proceed with the Capital Improvement). The Agency's review of such plans and specifications and right to object to Capital Improvement is limited to the Reviewable Features that represent a Material Change.

If the Company desires to materially modify any Reviewable Features with respect to a Capital Improvement that represent a Material Change, the Company will submit the proposed modifications to the Agency. The Agency will review the proposed changes only to determine if there are any objectionable changes insofar as they relate to the Reviewable Features that represent a Material Change

from features incorporated in the initial construction of the Stadium or otherwise previously approved by the Agency. If the Agency reasonably determines that there are any reasonable objectionable changes insofar as they relate to the Reviewable Features that represent a Material Change from features incorporated in the initial construction of the Stadium or otherwise previously approved by the Agency, the Agency will so notify the Company, specifying in what respects they do not so conform. The Company will either (i) withdraw the proposed modifications, in which case construction of the Capital Improvement shall proceed on the basis of the plans and specifications previously approved by the Agency that represent a Material Change, or (ii) revise the proposed modifications to so comply and resubmit them to the Agency for review and approval.

The construction of each Capital Improvement will be carried out under the supervision of a duly licensed architect or engineer selected by the Company.

The Company may not commence the construction of any Capital Improvement until (1) the Company has obtained and delivered to the Agency copies of all permits, consents, certificates and approvals of all Governmental Authorities necessary for the work to be performed (or such phase thereof as is about to be performed, provided the Agency has approved or deemed to have approved the Capital Improvement), and (2) the Company has delivered to the Agency copies of the insurance policies required to be carried under the Lease Agreement.

The Agency has the right to observe the construction means, methods, procedures and techniques of the performance of Capital Improvements for the purpose of ensuring that the same is being performed substantially in accordance with the plans and specifications and all Requirements.

Title to each Capital Improvement vests in the Agency. However, to the extent expressly permitted by the Lease Agreement, the Company is permitted to remove certain Equipment, fixtures and furnishings (including seats) from the Stadium and retain the proceeds of the sale or other disposition thereof.

The Agency does not have any development or construction risks associated with any Capital Improvement. The Agency will not bear the expense of the design or construction of any Capital Improvement.

The Agency has no obligation to make any Capital Improvements, capital repairs, replacements or any other improvements to the Premises or to pay for the same. All Capital Improvements will be undertaken by or on behalf of the Company, as agent of the Agency.

## **Insurance**

The obligation of the Company to maintain certain insurance coverage during the Term is described in detail in the portion of this Official Statement captioned "THE STADIUM – Insurance".

## **Indemnification**

The Company may not do any act or thing, and will use diligent efforts to not permit any act or thing to be done upon the Premises, or any portion thereof, or in connection with its obligations under the Lease Agreement, which subjects the Agency or the City to any liability or responsibility for injury or damage to Persons or property or to any liability by reason of any violation of Requirements, but shall exercise such reasonable control over the Premises as to the foregoing matters so as to protect the other party against any such liability. To the extent permitted by law, the Company will indemnify and save the Indemnitees harmless from and against any and all liabilities, suits, obligations, fines, damages, penalties,



claims, costs, charges and expenses, including, without limitation, reasonable architects' and attorneys' fees and disbursements, that may be imposed upon or incurred by or asserted against any of the Indemnitees by reason of any of the following, except that no Indemnitee shall be so indemnified and saved harmless to the extent of which such liabilities, etc., are caused by the negligence or wrongful acts or omissions of Indemnitees:

- (i) The planning, design, acquisition, site preparation, construction, equipping, furnishing, installation or completion of the Stadium or any part thereof or the effecting of any work done in or about or in connection with the Stadium Project, or any part thereof, or any defects (whether latent or patent) in or in connection with the Stadium or any part thereof, except for the "build-out" work or other work performed by or on behalf of the City with respect to the Police Substation, except to the extent caused by the negligence or wrongful acts or omissions of the Company or its directors, officers, members, trustees, employees, agents, or contractors;
- (ii) The control or use, non-use, possession, occupation, alteration, condition, operation, maintenance, repair, replacement, improvement, or management of the Premises or any part thereof or of any street, plaza, sidewalk, curb, vault, or space comprising a part thereof, including, without limitation, any violations imposed by any Governmental Authorities in respect of any of the foregoing or any sidewalk, plaza, curb or vault adjacent to the Premises; provided, that this provision does not apply to the Police Substation, which will be within the sole control and possession of the Agency and/or the City, except to the extent caused by the negligence or wrongful acts or omissions of the Company or its directors, officers, members, trustees, employees, agents or contractors;
- (iii) Any act or failure to act on the part of the Company.
- (iv) The Company's failure to make any payment or to perform or comply with any other of its obligations, representations or covenants under the Lease Agreement.
- (v) Any accident, injury or damage to any Person or property occurring in, on, or about the Premises or any part thereof, or in, on, or about any street, plaza, sidewalk, curb, vault, or space comprising a part thereof or adjacent thereto and arising in connection with the use, occupancy or operation of the Premises; provided, that the foregoing does not apply to the Police Substation, except to the extent caused by the negligence or wrongful acts or omissions of the Company or its directors, officers, members, trustees, employees, agents, or contractors.
- (vi) Any claim that may be alleged to have arisen against or on the Premises, or any claim created or permitted to be created by the Company or any of its subtenants, or their respective members, partners, joint venturers, officers, shareholders, directors, agents, contractors, servants or employees, or invitees against any assets of, or funds appropriated to, the Agency or any liability that may be asserted against the Agency with respect thereto, except to the extent arising from the negligence, wrongful acts or omissions of any Indemnitee.
- (vii) The presence, storage, transportation, disposal, release or threatened release of any Hazardous Materials over, under, in, on, from or affecting the Premises or any persons, real property, personal property, or natural substances thereon or affected thereby, except that the Company shall not indemnify and save harmless the Indemnitees to the extent that such Hazardous Materials (i) were present, stored, disposed of, or released at the

Premises prior to the date of physical possession by the Company of the Premises pursuant to the Lease Agreement, and (ii) migrated to the Premises from property owned or in the possession of the Agency or the City.

If any claim, action or proceeding is made or brought against any Indemnitee by reason of any such event, then, upon demand by such Indemnitee, the Company shall either resist, defend or satisfy such claim, action or proceeding in such Indemnitee's name, by the attorneys for, or approved by, the Company's insurance carrier (if such claim, action or proceeding is covered by insurance) or by such other attorneys as the Agency shall reasonably approve.

The Agency must notify the Company of the incurrence by or assertion against an Indemnitee, or the imposition of any cost or expense as to which the Company has agreed to indemnify any Indemnitee pursuant to any of the provisions of the Lease Agreement. Provided that the Agency has afforded reasonable notice to the Company to enable the Company to appropriately defend a claim, action or proceeding, the Company will pay the Indemnitee all amounts due within ninety (90) days after such payment is determined, upon a final and non-appealable determination, to be the Company's obligation, and any non-payment thereof by the Company after such final and non-appealable determination shall constitute a Default.

#### **Damage, Destruction and Restoration**

The provisions of the Lease Agreement pertaining to damage, destruction, condemnation and restoration are described in the portion of the Official Statement captioned "THE STADIUM – Real Estate Leases – *Lease Agreement*".

#### **Requirements of Governmental Authorities**

The Company will comply in all material respects with all Requirements.

The Company will promptly advise the Agency in writing of (i) all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any applicable Hazardous Materials Laws, (ii) all claims made or threatened in writing by any third party against the Company or the Premises relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials and (iii) and the Company's discovery of any occurrence or conditions on the Premises or any real property adjoining or in the vicinity of the Premises that could cause the Premises to be subject to any restrictions on the ownership, occupancy, transferability or use of the Premises under any Hazardous Materials Law. The Company will remediate any Hazardous Materials conditions on the Premises for which it is responsible under the Lease Agreement in accordance with all applicable Requirements.

#### **Assignment, Transfer and Subleasing**

The Company may not enter into any Capital Transaction or Sublease, without the prior written consent of the Agency in its sole discretion in each instance, except for Permitted Transactions. See the Section of the Official Statement captioned "THE COMPANY AND THE PARTNERSHIP – Change in Control".

## **Representations and Covenants of the Company**

The following representations were contained in the Original Lease Agreement:

To the best of its knowledge the Company represents and warrants that (i) no officer, agent, employee or representative of the City has received from the Company or any of its members or will receive from the Company or any of its members any payment or other consideration for the making of the Lease Agreement and (ii) that no officer, no agent, employee or representative of the City has or will have any interest, directly or indirectly, in the Lease Agreement or the proceeds thereof. The Company represents that it is not and that none of its Principals are Prohibited Persons.

The Company represents that at the time of execution of the Original Lease Agreement the Team is wholly owned by or under common control with the Company, and that the Team is a member in good standing of Major League Baseball.

The Company represented and warranted to the Agency as of the date of the Original Lease Agreement as follows:

The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, has the organizational power and authority to enter into and perform its obligations under the Lease Agreement and the other Project Documents to which it is a party, and by proper organizational action has duly authorized the Company's execution and delivery of, and its performance under, the Lease Agreement and the other Project Documents and all other agreements and instruments relating thereto to which the Company is a party.

Except as set forth in the Official Statement dated August 1, 2006 with respect to PILOT Revenue Bonds, Series 2006 (Yankee Stadium Project) (the "2006 PILOT Bonds Official Statement"), no material litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to its knowledge, threatened against the Company with respect to (1) the organization and existence of the Company, (2) its authority to execute, deliver and perform its obligations under the Lease Agreement and the other Project Documents to which the Company is a party, (3) the validity or enforceability of the Lease Agreement and the other Project Documents to which the Company is a party, or the transactions contemplated thereby, or (4) the ability of the Company to design, develop, acquire, construct, equip, operate, maintain and lease the Stadium for the uses provided in the Lease Agreement.

The Company has not imposed or formally or informally agreed to impose any liens on its interest in the Premises other than the Initial Mortgages.

The Company is not in any material respect in default under or in violation of, and the execution and delivery by the Company of the Lease Agreement or the other Project Documents to which the Company is a party, and the performance by the Company of its obligations thereunder and the consummation by the Company of the transactions contemplated thereby do not and will not conflict with, or constitute a breach or result in a violation of (1) the Company's constituent or organizational documents, (2) any material agreement or other instrument to which the Company is a party or by which it is bound, or (3) (assuming receipt by the Company of those permits and consents which have not yet been obtained as of the date of the Lease Agreement and which are so identified in the 2006 PILOT Bonds Official Statement or in the Lease Agreement as having not yet been obtained) any constitutional or statutory provision or order, law, rule, regulation, decree or ordinance of any court, government or governmental authority having

jurisdiction over the Company or its property, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

The Company has obtained all consents, approvals, permits, authorizations and orders of any governmental or regulatory authority that are required to be obtained by the Company as a condition precedent to the execution and delivery of the Lease Agreement and the other Project Documents to which the Company is a party and the performance by the Company of its obligations thereunder, or that are required for the Company to design, develop, acquire, construct, fit out, operate, maintain and lease the Stadium for the uses provided in the Lease Agreement, other than permits of a ministerial nature that are granted in the ordinary course. To the knowledge of the Company, there are no appeals pending with respect to any of the foregoing consents, approvals, permits, authorizations and orders, except as set forth in the 2006 PILOT Bonds Official Statement or the Lease Agreement; and all such consents, approvals, permits, authorizations and orders are final and non-appealable, except as set forth in the 2006 PILOT Bonds Official Statement. The consummation by the Company of the transactions set forth in the Lease Agreement and the other Project Documents to which the Company is a party, in the manner and under the terms and conditions as provided in the Lease Agreement and therein, assuming receipt by the Company of those permits and consents which have not yet been obtained as of date of the Original Lease Agreement and which are so identified in the 2006 PILOT Bonds Official Statement or the Lease Agreement as having not yet been obtained, complies in all respects with all Requirements.

Correct and complete copies of the Lease Agreement and each other Project Document to which the Company is a party have been furnished to the Agency. The Lease Agreement and each other Project Document to which the Company is a party have been duly authorized, executed and delivered by the Company, are in full force and effect, and are the valid and binding obligation or agreement of the Company, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws presently or hereafter in effect, affecting the enforcement of creditors' rights generally and by general principles of equity whether applied in a proceeding at law or in equity.

A correct and complete copy of the Project Budget as in effect on the date of the Original Lease Agreement has been furnished to the Agency.

With respect to each party (other than the Company) to each Construction Agreement entered into prior to the date of the Original Lease Agreement, the Company has obtained and delivered to the Agency such party's consent to the assignment thereof to the Agency, or no such consent is required under the terms of such Construction Agreement.

The Company has no material assets, liabilities (contingent or otherwise), contracts or business, except as is directly related to the design, development, acquisition, construction, fitting out, use, operation, maintenance, leasing and subleasing of the Stadium, except as set forth in an exhibit to the Lease Agreement or in the 2006 PILOT Bonds Official Statement.

No approval or consent (that has not been duly obtained or that is not in full force and effect) on the part of MLB is required in connection with the execution, delivery or performance by the Company of the Lease Agreement and the other Project Documents to which the Company is a party.

The approval of both the (i) Board or General Manager and (ii) Independent Manager (as those terms are defined in the Operating Agreement of the Company) is required to approve the filing by the Company of a voluntary bankruptcy petition under Section 301 of the Bankruptcy Code, or comparable provisions of any successor thereto, or comparable provisions of applicable state insolvency laws.

No suit or action is pending or, to the knowledge of the Company, threatened against any Other Entities seeking to consolidate the assets and liabilities of the Company, on the one hand, and one or more of the Other Entities, on the other hand, or generally to impose the obligations of one or more of the Other Entities on the Company.

The Operating Agreement of the Company limits the Company's activities generally to the following: (A) constructing, holding, leasing, subleasing, operating and maintaining the Stadium for the purposes permitted under the Lease Agreement; (B) performing all other obligations contemplated by the Lease Agreement, the PILOT Agreement, the Initial Mortgages and the Stadium Sublease Agreement; (C) entering into tax and/or interest rate swap, option, cap, collar, floor or similar or related agreements or arrangements; and (D) engaging in such other activities and exercising such powers as are incidental to or connected with the foregoing business or purposes or necessary to accomplish the foregoing to the extent permitted to limited liability companies under the Delaware Limited Liability Company Act, as applied by courts located in Delaware.

The Project Documents make adequate provision in all material respects for all utility services and connections necessary for the operation of the Stadium for its intended purpose.

In addition, the Company further represented and warranted that the Company in the Original Lease Agreement:

(i) has observed all requisite limited liability company formalities and procedures where relevant and applicable thereto;

(ii) has maintained (to the extent it has previously engaged in business) its own separate and accurate accounts, books, records and financial statements;

(iii) has determined that the Lease Agreement and the other Project Documents to which the Company is a party, as applicable thereto, are fair, reasonable and reflective of arm's-length terms negotiated by unrelated purchasers and third parties;

(iv) has maintained (to the extent it has had funds) and will maintain its bank accounts, if any, separate from those of any Other Entity;

(v) has not commingled its money and assets with that of any Other Entity or, where relevant, of any holders of a membership or partnership interest in such Other Entity, as the case may be;

(vi) has acted (to the extent it has operated) solely in its own name and through its own officials or representatives where relevant, and neither has nor will hold itself out as a "division" or "part" of any Other Entity;

(vii) has conducted its business and daily operations (to the extent it has operated) independently, including, but not limited to, maintaining separate stationery and checks and paying its own salaries and liabilities, free from the dictates of any Other Entity (except to the extent that any Other

Entity, holding the equity of the Company, acts solely in that capacity), sensitive to any fiduciary duties to the Other Entity and, where and when relevant, its creditors;

(viii) has allocated fairly with each Other Entity any overhead, if relevant, for shared office space or business facilities or equipment;

(ix) has not made any loans, gifts or fraudulent conveyances to any Other Entity;

(x) except for (1) the Initial Mortgages, has not mortgaged or pledged any of its assets for the benefit of any Other Entity and (2) except for the Assignment of Ticket Sales and Suite License Proceeds, has not benefited from a mortgage, pledge or assignment of any Other Entity's assets;

(xi) (1) has not guaranteed or become obligated for the debts of any Other Entity, nor held its credit out as available to satisfy the obligations of any Other Entity, and (2) has not had its debts guaranteed or otherwise secured by the obligation of any Other Entity, nor had the credit of any Other Entity held out as available to satisfy its obligations;

(xii) has not attempted in the past, nor currently so intends, to cause or seek the dissolution or winding up, in whole or in part, of any Other Entity;

(xiii) other than the Assignment of Ticket Sales and Suite License Proceeds, has not and will not acquire any interest in any Other Entity or the assets thereof; and

(xiv) will correct any known misrepresentation regarding its separate entity status.

The Company also covenanted and agreed with the Agency as follows:

(i) The Company will pay all Impositions in accordance with the applicable provisions of the Lease Agreement;

(ii) Prior to the beginning of each fiscal year of the Company, the Company will deliver to the Agency an annual forecast of cash receipts of the Company with respect to such fiscal year;

(iii) Subject to the City's obligations with respect to the Police Substation, the Company will comply in all material respects with the provisions of the Lease Agreement in connection with the operation of the Premises consistent with prevailing industry standards for MLB Stadiums of similar age and design taken as a whole, taking into consideration the age and intended use of the Stadium, and with the provisions of the Lease Agreement in connection with maintenance of the Premises in good repair and condition, normal wear and tear and obsolescence excepted;

(iv) The Company will, on the tenth (10th), fifteenth (15th), twentieth (20th), twenty-fifth (25th), thirtieth (30th) and thirty-fifth (35th) anniversaries of the Commencement Date, cause the Construction Monitor to inspect the Stadium and issue a report on the physical condition thereof, which report shall include recommendations as to any capital repairs, renovations and improvements as are needed to maintain the Stadium in good repair and condition, normal wear and tear and obsolescence excepted;

(v) Until the Initial Mortgage Termination Date, the Company will not pay to itself a fee for the services it renders in connection with the maintenance and operation of the Stadium; provided that this prohibition shall not apply to any Administrative Fee payable pursuant to the Stadium Sublease Agreement or any other charges and reimbursements contemplated by the Stadium Sublease Agreement;

(vi) Until the Initial Mortgage Termination Date, the Company will keep and maintain the Premises free from all mortgages, liens, security interests and encumbrances created by, through or under the Company other than the liens created by the Mortgages and the other Permitted Encumbrances;

(vii) Until the Initial Mortgage Termination Date, the Company will (i) maintain separate and apart from any other entity books and records of accounts using accounting practices in conformity with GAAP; and (ii) within one hundred eighty (180) days after each fiscal year of the Company will provide upon request by the Agency an annual unaudited statement of cash receipts. Each such statement of cash receipts will contain information generally describing the transactions contemplated by the Lease Agreement and, in particular, that: (A) the Company's business consists primarily of performance under its operating lease in respect of the Stadium and (B) the Company is a separate entity owning all of its own assets, with its own separate creditors, and such statement of cash receipts shall be accompanied by an agreed upon procedures letter covering such statement from a nationally recognized firm of certified public accountants in a form reasonably acceptable to the Agency;

(viii) Until the Initial Mortgage Termination Date, the Company will establish and maintain internal financial control policies and practices which are in accordance with the usual and customary practices for Major League Baseball stadia;

(ix) Until the Initial Mortgage Termination Date:

- (A) The Company will at all times conduct its business and affairs in accordance with all material respects with the provisions of its Operating Agreement, other than with respect to Section 8(r)(vi) thereof;
- (B) The Company will at all times have at least one Independent Manager (as defined in its Operating Agreement);
- (C) Decisions with respect to the Company's business and daily operations shall be independently made by the Company and shall not be dictated by any of the Other Entities;
- (D) The Company will not (A) guarantee or assume any liabilities or obligations of the Other Entities or (B) permit or direct the Other Entities to assume or guarantee any liabilities of the Company;
- (E) Any employee, consultant or agent of the Company will be compensated from the Company's funds for services provided to the Company;
- (F) The Company's operating expenses will not be paid by the Other Entities; provided that the foregoing and will not be deemed to preclude the Company from collecting Annual Rental (as defined in the Stadium Sublease Agreement) and all other amounts payable by the Partnership under the Stadium Sublease Agreement or from collecting the revenues payable pursuant to the Assignment of Ticket Sales and Luxury Suite Proceeds;
- (G) The Company will have its own stationery;

- (H) The Company's books and records will be maintained separately from those of the Other Entities;
- (I) All financial statements of the Company, or any Affiliate thereof that are consolidated to include the Company, shall be accompanied by a certification of the Company that (i) all of the Company's assets are owned by the Company, and (ii) the Company is a separate entity with creditors, certain of which have received security interests in the Company's assets;
- (J) The Company's assets will be maintained in a manner that facilitates their identification and segregation from those of the Other Entities;
- (K) The Company will strictly observe limited liability company formalities and the funds or other assets of the Company will not be commingled with those of the Other Entities, and the Company will not maintain joint bank accounts or other depository accounts to which the Other Entities have independent access;
- (L) The Company will maintain arm's-length relationships with the Other Entities; any Other Entity that renders or otherwise furnishes services to the Company shall be compensated by the Company at market rates for such services it renders or otherwise furnishes to the Company; the Company will neither be nor hold itself out to be responsible for the debts of or the decisions or actions respecting the daily business and affairs of the Other Entities; and the Company will promptly correct any known misrepresentation with respect to the foregoing and will not operate or purport to operate as an integrated single economic unit with respect to the Other Entities in its dealing with any other entity;
- (M) The Company will neither form, nor cause to be formed, any subsidiaries;
- (N) The Company will not amend, alter, change, repeal, supplement or otherwise modify those provisions of its Operating Agreement that require 100% approval of the Members, without obtaining such consent;
- (O) The Company will at all times (a) have at least one officer responsible for managing the Company's day-to-day operations, (b) ensure that all of its corporate actions are duly authorized by its Board or General Manager and, if applicable Independent Manager (as those terms are defined in its Operating Agreement), (c) maintain separate corporate records and books of account from those of the Other Entities, (d) clearly identify its office (by sign or otherwise) as being separate and distinct from the offices of, or any space occupied by, the Other Entities even if such office space is leased or subleased from, or is on or near premises occupied by, the Other Entities, (e) have a separate telephone number from that of the Other Entities to the extent that its affairs require extensive use of a telephone, and (f) other than with respect to Section



8(r)(vi) of the Operating Agreement, be in full compliance in all material respects with the terms of its Operating Agreement;

- (P) The Company will pay its own operating expenses and liabilities (including, without limitation, the salaries paid to its employees and any fees paid to its directors) from its own separate assets; provided that the foregoing shall not and shall not be deemed to preclude the Company from collecting Annual Rental (as defined in the Stadium Sublease Agreement) and other amounts payable by the Partnership under the Stadium Sublease Agreement or from collecting the revenues payable pursuant to the Assignment of Ticket Sales and Luxury Suite Proceeds; and the Company shall not pay any of the operating expenses or other liabilities of any Other Entity;
- (Q) The Company will not use any assets or funds owned by any of the Other Entities, or vice versa, except pursuant to a written agreement as permitted pursuant to the terms of the Lease Agreement, and the Company will continue to maintain an arm's-length relationship in any future dealings it may have with any of the Other Entities.

(x) The Company will take all actions necessary under the Initial Mortgages to maintain and protect the liens of the Initial Mortgages on the Mortgaged Property (as defined in the Initial Mortgages).

The Agency and the City acknowledged that the Company has the right to assign to a Person under Common Ownership and Common Control (as each of such terms is defined in the Stadium Lease) with the Company (such Person, "Company's Affiliate"), all or any portion of the Company's right, title and interest in and to Ticket Sale and Suite License Proceeds in excess of amounts payable to the Company under the Original Stadium Sublease (as modified by the First Amendment to Stadium Sublease Agreement) (the amounts so assigned, "Excess Ticket Sale and Suite License Proceeds"). Such assignment of Excess Ticket Sale and Suite License Proceeds will be pursuant to an assignment of Excess Ticket Sale and Suite License Proceeds between Company and Company's Affiliate (such assignment, the "Assignment of Excess Ticket Sale and Suite License Proceeds"). The Agency and the City also acknowledged that the Company and the Partnership have the right to further amend the Stadium Sublease to provide for the payment by the Company to Company's Affiliate of all Excess Ticket Sale and Suite License Proceeds and for Company's Affiliate to remit to the Company the excess, if any, of Excess Ticket Sale and Suite License Proceeds above amounts payable to Company's Affiliate under the Assignment of Excess Ticket Sale and Suite License Proceeds (any amounts actually received by the Company pursuant to this sentence, "Remitted Excess Ticket Sale and Suite License Proceeds") and for the Company to pay the Remitted Excess Ticket Sale and Suite License Proceeds to the Partnership.

### **The Agency's Right to Perform the Company's Covenants**

If the Company fails at any time to pay for or maintain any of the insurance policies required to be provided by the Company pursuant to the Lease Agreement, or fails to perform any other covenant or obligation under the Lease Agreement, then, after thirty (30) days' notice to the Company (or, in case of any emergency or any other exigent circumstances that are likely to materially adversely affect the Agency's interest, on such lesser notice, as may be reasonable under the circumstances, or, if not feasible in the case of emergency only, without notice), and without releasing the Company from its obligations under the Lease Agreement and without waiving the Agency's right to terminate the Lease Agreement or any other of the Agency's rights or remedies permissible under the Lease Agreement, the Agency may

(but is not be required to): (a) pay for and maintain any of the insurance policies required to be furnished by the Company pursuant to the Lease Agreement, or (b) make any other payment or perform any other act on the Company's part to be made or performed under the Lease Agreement.

### **Creation of Liens**

The Company may not create or cause to be created (a) any mortgage, lien, encumbrance or charge upon the Lease Agreement, the leasehold estate created thereby, the income therefrom or the Premises, (b) any mortgage lien, encumbrance or charge upon any assets of, or funds appropriated to, the Agency, other than the Agency's interest in the Lease Agreement and the Ground Lease and the leasehold estate or estates created by the Lease Agreement and thereby, or (c) any other matter whereby the estate, rights or interest of the Agency in and to the Premises might be impaired. The Company may, however, enter into Subleases (including the Stadium Sublease Agreement) and use and occupancy agreements relating to Stadium Events in accordance with the Lease Agreement and Permitted Transactions. The Lease Agreement does not prohibit the Company from executing and delivering Recognized Mortgages encumbering the Company's interest in the leasehold estate created under the Lease Agreement (including Mortgages made in connection with the issuance of the PILOT Bonds or the Rental Bonds).

### **The Agency and Company Not Liable for Injury or Damage, etc.**

The Agency is not liable for any injury or damage to the Company or to any Person happening on, in or about the Premises or its appurtenances, nor for any injury or damage to the Premises or to any property belonging to the Company or to any other Person that may be caused by fire, by breakage, or by the use, misuse or abuse of any portion of the Premises or that may arise from any other cause whatsoever, unless, and only to the extent by which, any such injury or damage is determined to be caused by the negligence or wrongful conduct or omissions of the Agency or its directors, officials, employees, agents, invitees or contractors, or the City or any instrumentality of the City, or their respective officials, employees, agents, invitees or contractors.

The Company is not liable for any injury or damage to the Agency, the City or to any Person happening on, in or about the Police Substation or its appurtenances, nor for any injury or damage to the Premises or to any property belonging to the Agency, the City or to any other Person that may be caused by fire, by breakage, or by the use, misuse or abuse of any portion of the Police Substation or that might arise from any other cause, unless, and only to the extent by which, any such injury or damage is determined to be caused by the negligence or wrongful conduct or omissions of the Company or its directors, employees, agents or contractors.

### **Subordination**

The Company's interest in the Lease Agreement will not be subject or subordinate to (a) any mortgage suffered to exist by the City now or hereafter affecting the City's interest in the Premises or (b) any other liens or encumbrances hereafter affecting the City's interest in the Premises.

The manner of conduct of activities on the Premises in conjunction with any Team Home Games, or other event conducted under the auspices of or in affiliation with Major League Baseball or the Team and the rights and obligations of the parties with respect to such manner of conduct of activities, are subject in all respects to each of the following, as they may be amended from time to time: (i) any present or future agreements entered into by, or on behalf of, any of the Major League Baseball entities or affiliates, or the member clubs acting collectively, including, without limitation, the MLB Documents and MLB Rules and Regulations, and each agreement entered into pursuant thereto, or (ii) the MLB Actions or the present and future mandates, rules, regulations, policies, bulletins or directives issued or adopted by

the Commissioner of Baseball or the MLB Entities; provided that nothing shall restrict the ability of the Agency to enforce its rights under the Lease Agreement or the ability of the holder of an Initial Mortgage to enforce its rights thereunder.

Article V, Section 2(b)(2) of the Major League Constitution and the Guidelines require that the transfer of a control interest in either the Franchise or the Partnership be subject to the approving vote of the Major League Baseball Clubs in their absolute discretion. The Agency and the Company acknowledged the “best interests of baseball” powers held by the Commissioner of Baseball under the Major League Constitution. Accordingly, such approvals would be required for any sale or transfer of the Franchise, the Partnership, or an interest in either the Franchise or the Partnership, or any sale, transfer, assignment, license, sublease, or other conveyance of any MLB related collateral, to a third party as well as to any party to the Lease Agreement, and that each such transaction will be subject to and made in accordance with the Major League Constitution and the Guidelines. Any temporary or permanent management of the Franchise or the Team shall be subject to the prior approval of the Commissioner of Baseball and the Major League Baseball Clubs.

Upon the occurrence and continuance of an Event of Default, neither party may exercise any remedy or take any other action which would result in the termination of any of the rights of the Team to use and possess the Premises pursuant to the terms of the Lease Agreement and the Stadium Sublease Agreement prior to the expiration of the Lease Stay Period.

The Lease Agreement is subordinate to the Ground Lease and is and shall remain in all respects unconditionally and irrevocably encumbered by and subject to each Recognized Mortgage (including the Initial Mortgages).

#### **Events of Default, Remedies, etc.**

Each of the following events constitutes an Event of Default under the Lease Agreement:

(a) if the Company fails to make any payment of Rental as and when due and such failure continues for a period of twenty (20) days after notice thereof to the Company;

(b) if, subject to Unavoidable Delays, (i) the Company fails to commence construction of the Stadium within the times and in the manner set forth in the Lease Agreement, and (ii) fails to diligently prosecute the Substantial Completion of the Stadium and such failure continues after the receipt of certain required notices from the Agency, and the expiration of notice and cure periods set forth in the Lease Agreement;

(c) if the Company fails in any material respect to maintain the Premises as provided in the Lease Agreement and if such failure continues for a period of thirty (30) days after notice (unless such failure requires work to be performed, acts to be done or conditions to be removed which cannot, by their nature, reasonably be performed, done or removed within such thirty (30) day period, in which case no Event of Default will exist as long as the Company has commenced curing the same within the thirty (30) day period and diligently and continuously prosecutes the same to completion within a reasonable period);

(d) if the Company enters into (or permits to be entered into) a Sublease or a Capital Transaction, or any other transaction, in violation of the provisions of the Lease Agreement, and such Capital Transaction, Sublease or other transaction is not made to comply with the provisions of the Lease Agreement or canceled within thirty (30) Business Days after the Agency’s notice thereof to the Company;

(e) if the Company fails to comply with its covenants regarding the use of the Premises contained in Section 4.02 of the Lease Agreement, and such failure shall continue for a period of ten (10) days after the Agency's notice thereof to the Company specifying such failure, unless the Company replaces the Team with another sports team capable of generating substantially equivalent revenues or greater revenues than the Team;

(f) if the Company fails to obtain and maintain any insurance policy required to be maintained by the Company in accordance with the Lease Agreement and such failure continues for a period of ten (10) days after notice thereof to the Company;

(g) to the extent permitted by law, if the Company makes an assignment for the benefit of creditors;

(h) to the extent permitted by law, if the Company files a voluntary petition under Title 11 of the United States Code or if a petition under Title 11 of the United States Code is filed against the Company and an order for relief is entered, or if the Company files a petition or an answer seeking, consenting to or acquiescing in, any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future Federal bankruptcy code or any other present or future applicable Federal, state or other bankruptcy or insolvency statute or law, or seeks, or consents to, or acquiesces in, or suffers the appointment of, a trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of the Company, or of all or any substantial part of its properties, or of the Premises or any interest of the Company therein, or if the Company shall take any partnership, joint venture or corporate action in furtherance of any action described in clause (g) above or this clause (h);

(i) to the extent permitted by law, if within ninety (90) days after the commencement of a proceeding against the Company seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future Federal bankruptcy code or any other present or future applicable Federal, state or other bankruptcy or insolvency statute or law, such proceeding is not dismissed, or if, within one hundred eighty (180) days after the appointment, without the consent or acquiescence of the Company, of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of the Company, or of all or any substantial part of its properties, or of the Premises or any interest of the Company therein, such appointment is not vacated or stayed on appeal or otherwise, or if, within one hundred eighty (180) days after the expiration of any such stay, such appointment is not vacated;

(j) if any of the material representations made by the Company in the Lease Agreement or in the PILOT Agreement is or shall become false or incorrect in any material respect when made; provided that, if such misrepresentation was unintentionally made, the underlying condition is susceptible to being corrected, and the Agency has not been materially adversely affected by such misrepresentation or underlying condition, the Company will have a period of thirty (30) days after the Agency's notice of such misrepresentation to correct the underlying condition and thereby cure such Default (unless such cure cannot by its nature reasonably be performed within such thirty (30) day period, in which event the Company will have such time as is required so long as the Company has commenced such cure within such thirty (30) day period and diligently and continuously prosecutes the same to completion);

(k) if a levy under execution or attachment is made against the Premises, the income therefrom, the Lease Agreement or the leasehold estate created thereby and such execution or attachment is not vacated or removed by court order, bonding or otherwise within a period of one hundred eighty (180) days;

(l) if the Company or any of its Principals, is or becomes a Prohibited Person, and the cure of the condition giving rise to such status is not commenced within sixty (60) days or having been commenced is not or has not been diligently prosecuted by all reasonably available lawful means (it is understood and agreed that a default under this clause (1) will be deemed not to exist if the Company is either pursuing all reasonably available lawful means, or has exhausted all reasonably available lawful means to cure such default, with or without success), or, if any Principal that is a Prohibited Person has managerial control over the Company, the applicable Principal is not removed from managerial control over the Company within sixty (60) days of notice of such default;

(m) if there is any default by the Company in any payment obligation contained under the PILOT Agreement (including, without limitation, any payment obligation) and such default continues for a period of ten (10) days after notice thereof to the Company; and

(n) if the Company fails in any material respect to observe or perform any of the other terms, conditions, covenants or agreements of the Lease Agreement or the PILOT Agreement (not addressed in clauses (a) through (m) above), and such failure continues for a period of thirty (30) days after the Agency's notice thereof to the Company specifying such failure (unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot, by their nature, reasonably be performed, done or removed within such thirty (30) day period, in which case no Event of Default is deemed to exist as long as the Company shall have commenced curing the same within such thirty (30) day period and diligently and continuously prosecutes the same to completion).

No notice of default by the Agency under this summarized section will be effective unless it complies with the following requirements: (i) it is given within a reasonable time after the chief executive officer of the City agency or instrumentality administering the Lease Agreement acquires actual knowledge of such default and knowledge that same constitutes a default under the Lease Agreement, but this condition shall not apply unless and only to the extent that the Company suffers substantial prejudice or inability to cure such default on account of a delay in notice (the foregoing shall not excuse the Company from the obligation to cure a continuing default), (ii) it specifies in reasonable detail the claimed default and shall specify the Article, Section and subsection, if any, of the Lease Agreement under which a default is claimed to have occurred, and (iii) it states that the claimed default is not cured or remedied within the applicable period, if any, specified in the Lease Agreement, the Agency will have the right to terminate the Lease Agreement and all rights of the Company thereunder.

If an Event of Default occurs under the Lease Agreement, the Agency may elect to proceed by appropriate judicial proceedings, either at law or in equity, to enforce performance or observance by the Company of the applicable provisions of the Lease Agreement and/or to recover damages for breach thereof.

Upon the occurrence and during the continuance of any Event of Default under the Lease Agreement, the Agency may in its sole discretion, upon reasonable notice, enter the Premises to cure the Company's Defaults under the Lease Agreement and/or perform portions of the construction, or to complete construction of the Stadium in accordance with the Plans and Specifications, with such reasonable changes therein as the Agency, in its reasonable discretion, deems appropriate, at the risk, cost and expense of the Company. In such circumstances, the Agency may at any time discontinue any work commenced by it, or change any course of action undertaken by it and shall promptly notify the Company of same.

Upon the occurrence and during the continuance of any Event of Default under the Lease Agreement, irrespective of whether the Agency has exercised its right to terminate the Lease Agreement, the Agency may in its sole discretion, assume any and all professional design contracts, any

Construction Agreements and agreements (such as, without limitation, owner's representative, expeditors and consultants) made by or on behalf of the Company relating to the Project and take over and use all or any part or parts of the labor, materials, supplies and equipment contracted for, by, or on behalf of the Company, whether or not previously incorporated into the Premises. For this purpose, but subject to any rights of Recognized Mortgagees, the Company has collaterally assigned to the Agency all professional design contracts, Construction Agreements and other agreements relating to the Project and the work product of all professional design contracts, whether presently existing or hereafter created. The Agency may also enter, or cause its architect, contractors and subcontractors to enter, the Premises upon reasonable notice and perform any and all work and labor necessary to complete the construction of the Stadium or any portion thereof as reasonably determined by the Agency in accordance with the Plans and Specifications. In connection with any construction undertaken by the Agency pursuant to the provisions of this paragraph, the Agency may: (i) engage builders, contractors, architects, engineers and others for the purpose of furnishing labor, materials and equipment; (ii) pay, reasonably settle or reasonably compromise all bills or claims which may become liens against the Premises, or which have been or may be properly incurred, or for the discharge of liens, encumbrances or defects in the title of the Premises; and (iii) take such other reasonable actions (including the employment of watchmen) to protect the Premises.

The Agency may not exercise any of such rights so long as any Recognized Mortgagee has a cure right and exercising such cure right within the time and in the manner provided for in the Lease Agreement.

If an Event of Default occurs under the Lease Agreement and the Agency, at any time thereafter, at its option, gives the Company notice stating that the Lease Agreement and the Term shall terminate on the date specified in such notice, which date may not be less than ten (10) days after the giving of the notice, then the Lease Agreement shall expire and terminate as if the date specified in the notice were the Fixed Expiration Date, and the Company shall quit and surrender the Premises forthwith. If such termination is stayed by order of any court having jurisdiction over any case described in clauses (g), (h) or (i) above or by federal or state statute, then following the expiration of any such stay, or if the trustee appointed in any such case, the Company or the Company as debtor-in-possession fails to assume the Company's obligations under the Lease Agreement within the period prescribed therefor by law or within thirty (30) days after entry of the order for relief or as may be allowed by the court, or if the trustee, the Company or the Company as debtor-in-possession fails to provide adequate protection of the Agency's right, title and interest in and to the Premises and adequate assurance of the complete and continuous future performance of the Company's obligations under the Lease Agreement as provided in the Lease Agreement, the Agency, to the extent permitted by law or by leave of the court having jurisdiction over such case, shall have the right, at its election, to terminate the Lease Agreement on ten (10) days notice to the Company, the Company as debtor-in-possession or the trustee. Upon the expiration of the ten (10) day period the Lease Agreement shall cease, and the Company, the Company as debtor-in-possession and/or the trustee immediately shall quit and surrender the premises.

If the Lease Agreement is terminated, the Agency may dispossess the Company by summary proceedings.

If the Lease Agreement is terminated in accordance with this summarized section:

(i) The Company will pay to the Agency all Rental payable under the Lease Agreement by the Company to the Agency to the Expiration Date, and the Company will remain liable for all Rental thereafter falling due on the respective dates when such Rental would have been payable but for the termination of the Lease Agreement; and

(ii) The Agency may complete all repair, maintenance and construction work required by the Company under the Lease Agreement and may repair and alter any portion(s) of the Premises in such manner as the Agency may deem necessary or advisable without relieving the Company of any liability under the Lease Agreement or otherwise affecting any such liability, and/or let or relet the Premises or any portion thereof for the whole or any part of the remainder of the Term or for a longer period, in the Agency's name or as agent of the Company, and retain any rent and other sums collected or received as a result of such reletting by the Agency. The Agency will in no way be responsible or liable for any failure to relet any portion(s) of the Premises or for any failure to collect any rent due on any such reletting, and no such failure to relet or to collect rent shall operate to relieve the Company of any liability under the Lease Agreement or to otherwise affect any such liability. The amount of any such rent collected by the Agency for periods occurring during the Term after deducting therefrom the expenses, including without limitation all costs incurred by the Agency in completing the repair, maintenance and construction work required by the Company under the Lease Agreement and such repairs to and alterations of the Premises as is reasonably necessary or desirable, incurred by the Agency as a result of the Default giving rise to the termination of the Lease Agreement shall be credited against any unpaid Rental and other unsatisfied obligations of the Company under the Lease Agreement.

Subject to the rights of Recognized Mortgagees, the Partnership has the right to cure any default and perform any obligation of the Company, and the Agency will accept the Partnership's performance of the Company's obligations under the Lease Agreement. To the extent a default cannot be cured by the payment of money, but could be cured by the Agency's entering into a new lease with the Partnership, the Agency will enter into a lease agreement with the Partnership on the terms substantially identical to those contained in the Lease Agreement (which the Partnership shall take in its "as-is" condition upon repossession of the Premises by the Agency, subject to the Company's occupancy under the Lease Agreement, and to then-existing title objections, and the Agency shall not have any liability to the Company for failure to give possession of the Premises to the Company under the new lease due to the Company's possession of the Premises). The Agency is not obligated to enter into a new lease with the Partnership unless (1) the Partnership pays to the appropriate party, concurrently with the execution and delivery of the new lease, all Base Rent and other Rental due under the Lease Agreement, and all PILOTs through the date of the commencement of the term of the new lease (excluding penalties and interest thereon) and all expenses, including, reasonable attorneys' fees and disbursements and court costs, incurred in connection with the Default or Event of Default, and the termination of the Lease Agreement, to the extent such expenses would be collectible under the Lease Agreement from the Company, (2) the Partnership continues to be in compliance with Section 2.1.1 of the Non-Relocation Agreement, and (3) the Partnership delivers to the Agency a statement, acknowledging that the Agency, by entering into such new lease with the Partnership, is not deemed to have waived any Defaults or Events of Default then existing under the Lease Agreement (other than the Defaults or Events of Default under the Lease Agreement referenced in clauses (g) through (i) which the Agency will be deemed to have waived) notwithstanding that any such Defaults or Events of Default existed prior to the execution of the new lease and that the breached obligations which gave rise to such Defaults or Event of Default are also obligations under the new lease.

In the event of a Default or threatened Default by a party under the Lease Agreement, the other party shall be entitled to enjoin such Default or threatened Default and shall have the right to invoke any rights and remedies allowed at law or in equity or by statute or by the Lease Agreement, other remedies that may be available to such party notwithstanding.

None of the members, managers, directors, officers, partners, joint venturers, principals, shareholders, employees, agents or servants of the Company shall have any liability (personal or otherwise) under the Lease Agreement or are subject to levy, execution or other enforcement procedure for the satisfaction of any remedies of the Agency available thereunder.

## **Late Charges**

If (a) any payment of Rental, or any other payment due under the Lease Agreement, is not received by the Agency within thirty (30) days after receipt by the Company from the Agency of notice that such payment has become due, and is not received by the Agency within thirty (30) days after receipt by the Company from the Agency of a further notice that such payment is overdue by more than thirty (30) days, or (b) the Agency has made a payment required to be made by the Company under the Lease Agreement, then a late charge on the sums so overdue or paid by the Agency, calculated at the Late Charge Rate, compounded daily from the date such Rental or other payment first became due or the date of payment by the Agency, as the case may be, to the date on which actual payment or reimbursement of such sums is received by the Agency, shall become due and payable to the Agency as liquidated damages for the administrative costs and expenses incurred by the Agency by reason of the Company's failure to make payment on or before the dates such payments are due.

## **Surrender of Premises at End of Term**

Upon the expiration of the Term (or under a re-entry by the Agency upon the Premises as a result of an Event of Default under the Lease Agreement), the Company, without any payment or allowance whatsoever by the Agency, will surrender the Premises to the Agency in then as-is condition (but consistent with the Company's obligations for maintenance and repair and restoration of the Improvements under the Lease Agreement), free and clear of all Subleases, liens and encumbrances other than Title Matters existing on the date of the Lease Agreement or caused by the action or inaction of the Agency.

Upon the expiration of the Term (or upon a re-entry by the Agency upon the Premises as a result of an Event of Default under the Lease Agreement), the Company shall deliver to the Agency the Company's executed counterparts of all Subleases, the Stadium Sublease Agreement, and any service and maintenance contracts then affecting the Premises, true and complete maintenance records for the Premises, all original licenses and permits then pertaining to the Premises, Certificate(s) of Occupancy then in effect for the Premises and all warranties and guarantees then in effect which the Company has received in connection with any work or services performed on any property at the Premises, together with a duly executed assignment thereof, without recourse.

The Company may remove trade fixtures and other items supplied by the Company or its subtenants at their respective expense to the extent permitted by the Lease Agreement.

## **Successors and Assigns**

Except as may be expressly set forth in the Lease Agreement, all references to a party in the Lease Agreement and this Appendix include such party's successors and permitted assigns.



[THIS PAGE INTENTIONALLY LEFT BLANK]

## APPENDIX D

### Summary of the PILOT Agreement

*The following is a brief summary of certain provisions of the PILOT Agreement. This summary does not purport to be comprehensive or complete, and reference is made to the PILOT Agreement for full and complete statements of such and all provisions. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in APPENDIX A "DEFINITIONS OF CERTAIN TERMS."*

The Issuer's rights and remedies under the PILOT Agreement will not be pledged or assigned to the Bond Trustee as security for the PILOT Bonds. PILOT Bondholders will have no rights under the PILOT Agreement.

#### PILOTS

(a) The Company has agreed to make, without diminution, deduction or set-off whatsoever, and without prior notice or demand, payments to the Agency in lieu of all real estate taxes and assessments (in addition to paying all applicable special ad valorem levies, special assessments and service charges against real property which are or may be imposed for special improvements or special district improvements) which would be levied upon or with respect to the Facility if the Facility were not exempt by virtue of the Agency's interest therein (the "PILOTS"). The amounts of such PILOTS, frequency of payment and method for calculation thereof are as set forth in the PILOT Agreement.

(b) The Company has agreed to pay, as PILOTS, the amounts set forth in the PILOT Agreement; provided, however, that in no event shall the Company be required to make PILOTS in any PILOT Year in an amount greater than the real estate taxes and assessments for such PILOT Year which would have been levied upon or with respect to the Facility if the Facility were not exempt by virtue of the Agency's interest therein (the "Actual Taxes"). The Agency shall compute or cause the Actual Taxes to be computed (without regard to any discretionary reduction thereof or exemption therefrom for which the Facility might otherwise be eligible under any law or regulation other than the Act) no later than December 1 of each year, as follows: the Agency or its designee shall multiply (x) the applicable assessment of the Facility, as most recently determined by the City, by (y) the tax rate then applicable to Class Four Property, or any successor property classification established by the City that would otherwise be applicable to the Facility, for purposes of levying real property taxes on the Facility, if the Facility were subject to real property taxation. Such computation of the Actual Taxes shall be conclusive, absent manifest error, and written notice of the amount of the Actual Taxes shall be provided by the Agency to the Company on or prior to December 15 of each year; provided, however, that any failure by the Agency to provide such notice shall not alter, reduce or diminish the obligation of the Company to pay such PILOT when due.

(c) The annual obligations of the Company under the PILOT Agreement to pay PILOTS to the Agency are absolute, unconditional and irrevocable, and during the Initial Term are secured by a series of forty-one (41) PILOT Mortgages, each of which secures the obligations of the Company to pay PILOTS to the Agency under the PILOT Agreement during a specified PILOT Year. Each such PILOT Mortgage is (a) subject and subordinate to any PILOT Mortgage securing the obligation of the Company to make corresponding PILOTS under the PILOT Agreement during any succeeding PILOT Year, and (b) paramount in lien to any PILOT Mortgage securing the obligation of the Company to make corresponding PILOTS under the PILOT Agreement during any preceding PILOT Year.

(d) Each of the Agency and the Company shall have the right at any time to request the City to undertake an informal review of the assessment of the Facility, provided that no more than one (1) such informal review shall be undertaken at the request of a party to the PILOT Agreement in any twelve (12) month period. Each of the Agency and the Company agrees (i) to cooperate fully and faithfully in any informal review of the assessment of the Facility undertaken by the City at the request of either party to the PILOT Agreement; and (ii) to notify the other in writing prior to making any request of the City to undertake an informal review pursuant to the PILOT Agreement and as summarized in this paragraph (d).

### **Tax-Exempt Status of the Facility; Other Payments**

(a) *Effective Dates.* Pursuant to Section 874 of the General Municipal Law (the “GML”) and Section 412-a of the Real Property Tax Law (the “RPTL”), the parties to the PILOT Agreement understand that for so long as the Agency shall own or have a controlling interest in some or all of the Facility, including without limitation the Land and shall have filed the necessary application for exemption with the City Assessor, which application the Agency agrees to file promptly after the date of execution and delivery of the PILOT Agreement by the parties to the PILOT Agreement, the Facility shall be assessed as exempt upon the assessment rolls of the City in accordance with said Section 412-a of the RPTL. The “Effective Date” of the PILOT Agreement with respect to the Facility shall be the first taxable status date following the filing by the Agency of such application for exemption.

(b) *Special Assessments.* The parties to the PILOT Agreement understand that the tax exemption extended to the Agency by Section 874 of the GML and Section 412-a of the RPTL does not entitle the Agency to exemption from special assessments and special ad valorem levies. The Company will be required to pay, and agrees to pay in full and on a timely basis, all special assessments and special ad valorem levies lawfully levied and/or assessed against the Facility.

### **Requirement that Mortgagees Subordinate to PILOTs**

The Agency and the Company agree that any mortgages other than PILOT Mortgages (the “Other Mortgages”) on any part of the Facility granted by either of them shall provide that the rights of the mortgagees thereunder shall be subordinate to the right of the Agency to receive PILOTs pursuant to the PILOT Agreement and to the exercise by the Agency or its assignee of its rights and remedies under the PILOT Mortgages, to the extent that the rights of the mortgagees under such Other Mortgages would have been subordinate to the right of the City to receive real estate taxes and assessments.

### **Interest**

During the PILOT Term, if the Company shall have failed to make any PILOT required by the PILOT Agreement when due, its obligation to make the PILOT so in default shall continue as an obligation of the Company until such payment in default shall have been made in full, and the Company shall pay the same together with interest thereon, to the extent permitted by law, at the rate otherwise applicable to late payments of real estate taxes, as such rate is determined from time to time by resolution of the City Council.

### **Successors**

The right, title and interest of the Company under the PILOT Agreement may be assigned in whole or in part to a purchaser of some or all of the Facility in a federal bankruptcy proceeding with respect to the Company, provided that (i) all existing defaults under the PILOT Agreement with respect to the purchased assets are cured, (ii) the Agency is compensated for any damages such defaults may have occasioned, (iii) the assignor and assignee otherwise comply with the applicable provisions of the

Bankruptcy Code, or such other federal bankruptcy law as is then in effect, with respect to such assignment, and (iv) such assignee provides the Agency with written confirmation that (x) such assignee assumes and agrees to be bound by the assignor's obligations under the PILOT Agreement, and (y) the portion of the Facility purchased by the assignee will be subject to the applicable PILOT Mortgages.

### **Nature of Obligations**

The obligations of the Agency under the PILOT Agreement and the PILOT Mortgages shall be absolute, unconditional and irrevocable, provided that nothing contained in this paragraph shall be construed to constitute a waiver by the Agency of any of its rights under the PILOT Agreement arising from the occurrence and continuance of an Event of Default under the PILOT Agreement. The obligations of the Company under the PILOT Agreement, including without limitation the obligations of the Company under the PILOT Agreement and summarized above under the caption "PILOTs", shall not be diminished, limited or reduced, or increased, in any way by Section 854(17) of the GML or any other provision thereof.

### **No Recourse; Limited Obligation of the Agency**

(a) *No Recourse.* All covenants, stipulations, promises, agreements and obligations of any party to the PILOT Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of such party and any general partner or other person legally obligated to perform the obligations of such party and not of any member, shareholder, limited partner, officer, agent, servant or employee of such party in his, her or its individual capacity, and no recourse under or upon any obligation, covenant or agreement contained in the PILOT Agreement, or otherwise based on or in respect of the PILOT Agreement, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, shareholder, limited partner, officer, agent, servant or employee, as such, of such party or any successor thereto or any person executing the PILOT Agreement on behalf of such party. Any and all such liability of, and any and all such rights and claims against, any such person or entity under or by reason of the obligations, covenants or agreements contained in the PILOT Agreement or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of the PILOT Agreement.

(b) *Limited Obligation.* The obligations and agreements of the Agency contained in the PILOT Agreement shall not constitute or give rise to an obligation of the State or the City, and neither of the State nor the City shall be liable thereon. Furthermore, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency payable solely from certain revenues of the Agency relating to the Facility.

(c) *Further Limitation.* Notwithstanding any provision of the PILOT Agreement to the contrary, the Agency shall not be obligated to take any action pursuant to any provision of the PILOT Agreement unless (i) the Agency shall have been requested to do so in writing by the Company, and (ii) if compliance with such request is reasonably expected to result in the incurrence by the Agency (or any of its members, officers, agents, servants or employees) of any liability, fees, expenses or other costs, the Agency shall have received from the Company security or indemnity satisfactory to the Agency for protection against all such liability, however remote, and for the reimbursement of all such fees, expenses and other costs.

### **Status of Company**

As long as the PILOT Agreement is in effect, the Agency and the Company agree that the Company shall be deemed to be the owner of the Facility solely for purposes of instituting, and shall have

the right to institute, judicial review of an assessment of the real estate with respect to the Facility pursuant to the provisions of Article 7 of the Real Property Tax Law or any other applicable law, as the same may be amended from time to time. Notwithstanding the foregoing, in the event that the assessment of the real estate with respect to the Facility is reduced as a result of any such judicial review, the Company shall not be entitled to receive a refund or refunds of any PILOTs already paid by it under the PILOT Agreement, except as otherwise provided in the PILOT Assignment, or a credit against or a reduction of the PILOTs to be paid by the Company under the PILOT Agreement, except as limited by the PILOT Agreement and described in paragraph (b) of the above under the caption "PILOTs". Except as provided in the PILOT Assignment, in no event shall the Agency be required to remit to the Company any moneys otherwise due as a result of a reduction in the assessment of the Facility due to a certiorari review. The Company agrees that it will notify the Agency if the Company shall have requested a reassessment of the Facility or a reduction in the Actual Taxes on the Facility or shall have instituted any tax certiorari proceedings with respect to the Facility as described in this paragraph. The Company shall deliver copies of all notices, correspondence, claims, actions and/or proceedings brought by or against the Company in connection with any reassessment of the Facility, any reduction of taxes with respect to the Facility, or any tax certiorari proceedings with respect to the Facility.

### **Term**

The PILOT Agreement became effective with respect to the Facility on August 22, 2006 and shall remain in effect for the Initial Term. In the event that the Lease Agreement is renewed for one or more Extended Terms (as defined in the Lease Agreement) pursuant to the exercise by the Company of an extension option thereunder, the PILOT Agreement shall remain in effect for each such Extended Term (the Initial Term, together with one or more Extended Terms, if any, being referred to hereafter as the "PILOT Term"). In the event that the Lease Agreement is terminated prior to the expiration of the PILOT Term, the Company shall be released from its prospective obligations under the PILOT Agreement (other than its obligations under the section of the PILOT Agreement entitled "Liability" with respect to matters arising or events occurring prior to such termination of the Lease Agreement, which obligations shall survive) as of the date of such termination of the Lease Agreement.

[rest of page intentionally left blank]

## APPENDIX E

### Summary of the PILOT Assignment and Escrow Agreement

*The following is a brief summary of certain provisions of the PILOT Assignment. This summary does not purport to be comprehensive or complete, and reference is made to the PILOT Assignment for full and complete statements of such and all provisions. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in APPENDIX A "DEFINITIONS OF CERTAIN TERMS."*

#### Assignment and Agreement

(a) The Agency pledges, assigns, transfers and sets over to the PILOT Trustee for the purposes described in the PILOT Assignment all the Agency's right to and interest in all PILOTs due or to become due under the PILOT Agreement and any and all other rights and remedies of the Agency under or arising out of the PILOT Agreement, as amended from time to time, except for the Agency's Unassigned PILOT Rights.

(b) The PILOT Trustee shall have no obligation, duty or liability under the PILOT Agreement, nor shall the PILOT Trustee be required or obligated in any manner to fulfill or perform any obligation, covenant, term or condition of the Agency thereunder.

(c) The Agency irrevocably constitutes and appoints the PILOT Trustee its true and lawful attorney, with power of substitution for the Agency and in the name of the Agency or in the name of the PILOT Trustee or otherwise, for the use and benefit of the PILOT Trustee on behalf of the Bond Trustee, any beneficiary of any Reimbursement Obligations in connection with the PILOT Bonds (each, a "Reimbursed Party"), the City, and the Agency, as their respective interests may appear in the PILOT Assignment, to ask, demand, require, receive, collect and compound all claims for any and all moneys due or to become due under or arising out of the PILOT Agreement (except for the Agency's Unassigned PILOT Rights) and to endorse any checks and other instruments or orders in connection therewith, and, if any default or Event of Default under the PILOT Agreement shall occur, (i) to exercise and enforce any and all claims, rights, powers and remedies of the Agency under or arising out of the PILOT Agreement (except the Agency's Unassigned PILOT Rights); and (ii) to file, commence and prosecute any suits, actions and proceedings at law or in equity in any court of competent jurisdiction to collect any such sums assigned to the PILOT Trustee under the PILOT Assignment and to enforce any rights in respect thereof and all other claims, rights, powers and remedies of the Agency under or arising out of the PILOT Agreement (except for the Agency's Unassigned PILOT Rights).

(d) The City, as the affected tax jurisdiction, acknowledges and agrees to the allocation set forth in the PILOT Assignment of the PILOTs to be paid by the Company under the PILOT Agreement, and the City acknowledges, covenants and agrees, to the fullest extent permitted by Section 868 of the General Municipal Law of the State of New York, for the benefit of the holders of the bonds of the Agency issued in connection with the PILOT Assignment, that the City will not limit or alter the rights vested in the Agency under the Act to undertake the Project, to establish and collect the PILOTs under the PILOT Agreement or to fulfill the terms of the PILOT Assignment and the other documents and agreements entered into in connection with the PILOT Assignment on behalf of the holders of such bonds, nor will the City in any way impair the rights and remedies of the PILOT Trustee, the holders of such bonds or the Bond Trustee until such bonds, together with interest thereon, with interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the holders thereof are fully met and discharged.

## **PILOT Fund**

(a) The PILOT Trustee shall establish and maintain the PILOT Fund, into which the PILOT Trustee shall deposit all payments made to it pursuant to the PILOT Agreement and the PILOT Assignment and any other amounts required or permitted to be deposited therein pursuant to the provisions of the PILOT Assignment.

(b) Such PILOT Fund, and all right, title and interest in and to all cash, property or rights transferred to or deposited in such PILOT Fund from time to time, all earnings, investments and securities held in such PILOT Fund in accordance with the PILOT Assignment and any and all proceeds of the foregoing, are conveyed, transferred, pledged and assigned to, and a security interest therein is granted to, and the PILOT Trustee shall hold and dispose of such PILOT Fund and the earnings thereon for the benefit of, the Bond Trustee, any Reimbursed Party, the City and the Agency, as described in the PILOT Assignment.

## **Additional Funds**

(a) The PILOT Trustee shall establish and maintain the following additional funds:

- (i) The New York City Industrial Development Agency – Yankee Stadium Project Debt Service and Reimbursement Fund (the “Debt Service and Reimbursement Fund”), which Debt Service and Reimbursement Fund shall be held for the benefit of, and pledged to, the Bond Trustee and any Reimbursed Party, as described in the PILOT Assignment; and
- (ii) The New York City Industrial Development Agency – Yankee Stadium Project City Fund (the “City Fund”), which City Fund shall be held for the benefit of, and pledged to, the City; and
- (iii) The New York City Industrial Development Agency – Yankee Stadium Project Operation and Maintenance Fund (the “O&M Fund”), which O&M Fund shall be held for the benefit of the Agency and the Company and shall, subject to the summarized section entitled “Company Right to Refund”, be pledged to the Agency.

(b) The PILOT Trustee is authorized to establish and maintain for so long as necessary other funds and accounts under the PILOT Assignment, including accounts and subaccounts within the funds and accounts established by the PILOT Assignment; provided, however, that no such action shall adversely affect the priority of the liens established in the PILOT Assignment for the benefit of the Bond Trustee, any Reimbursed Party, the City or the Agency.

## **Receipt and Deposit of PILOTs**

(a) Immediately upon their receipt by the PILOT Trustee, the proceeds of any PILOTs (the “PILOT Receipts”) required by the PILOT Agreement shall be deposited to the PILOT Fund.

(b) PILOT Receipts deposited to the PILOT Fund while PILOT Bonds are Outstanding shall be transferred for the following purposes in the order of priority in which listed (including curing any deficiencies in prior deposits, transfers or payments), the requirements of each Fund, deposit, transfer or payment to be fully satisfied, leaving no deficiencies, prior to any deposit, transfer or payment later in priority, except as otherwise specifically provided below:

- (i) FIRST, to the Debt Service and Reimbursement Fund, immediately upon receipt by the PILOT Trustee from the Bond Trustee of a certificate (the “Initial PILOT Certificate”) setting forth the Bond Year Requirement for the Bond Year that first commences after the date on which the Master PILOT Indenture requires the Bond Trustee to deliver such Initial PILOT Certificate, and in any event no later than February 1 preceding the commencement of such Bond Year: PILOT Receipts in an amount equal to the Bond Year Requirement set forth in such Initial PILOT Certificate; provided, however, that if in any PILOT Year no Initial PILOT Certificate is received by the PILOT Trustee from the Bond Trustee by February 1, the PILOT Trustee shall transfer to the Debt Service and Reimbursement Fund on the February 1 of such PILOT Year an amount equal to the Bond Year Requirement for the Bond Year that ends during such PILOT Year; and
- (ii) SECOND, to the O&M Fund, immediately after the transfer described in clause (i) immediately above, but only to the extent that all deposits, transfers or payments required by said clause have been made and all requirements with respect thereto have been fully and completely satisfied (including the curing of any deficiencies in prior deposits, transfers or payments: all moneys remaining in the PILOT Fund after the transfer described in Section (b)(i) above.

(c) If no PILOT Bonds are Outstanding but the Agency is subject to one or more Reimbursement Obligations in connection with the PILOT Bonds, PILOT Receipts deposited to the PILOT Fund shall be transferred for the following purposes in the order of priority in which listed (including curing any deficiencies in prior deposits, transfers or payments), the requirements of each Fund, deposit, transfer or payment to be fully satisfied, leaving no deficiencies, prior to any deposit, transfer or payment later in priority, except as otherwise specifically provided below:

- (i) FIRST, to the Debt Service and Reimbursement Fund, immediately upon their deposit to the PILOT Fund: a portion of the deposited PILOT Receipts sufficient to provide for the Reimbursement Payments on the Reimbursement Dates required by the PILOT Assignment and described in paragraph (a) below under the caption “Allocation of PILOT Receipts – PILOT Bonds No Longer Outstanding”, to the extent that such Reimbursement Dates precede the due date of the next subsequent PILOT required pursuant to the PILOT Agreement; and
- (ii) SECOND, to the O&M Fund, immediately after the transfer described in clause (i) immediately above, but only to the extent that all deposits, transfers or payments required by said clause (i) have been made and all requirements with respect thereto have been fully and completely satisfied (including the curing of any deficiencies in prior deposits, transfers or payments): all moneys remaining in the PILOT Fund after the transfer described in said clause (i).

(d) If no PILOT Bonds are Outstanding and the Agency is not subject to any Reimbursement Obligation in connection with the PILOT Bonds, PILOT Receipts deposited to the PILOT Fund shall be transferred to the City Fund and the O&M Fund on a parity basis as described below:

- (i) to the City Fund, immediately upon their deposit to the PILOT Fund: ninety percent (90%) of any PILOT Receipts so deposited; and



- (ii) to the O&M Fund, immediately upon their deposit to the PILOT Fund: ten percent (10%) of any PILOT Receipts so deposited.

No distinction shall exist in the use of moneys on deposit in the PILOT Fund for payment into the City Fund and the O&M Fund as described in this summarized section, such Funds being on a parity with each other as to payment from the PILOT Fund.

### **Administration of Funds**

In the event that there are insufficient moneys on deposit in any fund set forth above to provide when due for the applicable payment, deposit or transfer required by the PILOT Assignment, the PILOT Trustee shall immediately transfer, from one or more funds lower in priority, moneys sufficient to provide for such required payment, deposit or transfer. Such transfers shall be made in reverse priority order, from all other funds lower in priority than the fund in which such deficiency exists, until such deficiency shall have been satisfied.

Any payment, deposit or transfer required to be made by the PILOT Assignment from any fund set forth above shall be made *pari passu* with any other payments, deposits or transfers required to be made by the PILOT Assignment from such fund.

### **Investment and Valuation of Funds**

(a) Moneys maintained by the PILOT Trustee in the funds and accounts under the PILOT Assignment established may be invested only in Qualified Investments, as directed by an Authorized Representative of the Agency or its designee. The PILOT Trustee shall use reasonable efforts to make such investments in such amounts and at such times as may be necessary to provide moneys when needed to make payments or transfers from the applicable fund or account. Net income or gain received and collected from such investments shall be credited and losses charged to the applicable fund or account.

(b) At least ten (10) days prior to the first Business Day of each month, the PILOT Trustee shall notify the Agency and the Company of the amount of such net investment income or gain received and collected subsequent to the first Business Day of the then-current month and the amounts then available in the various funds established under the PILOT Assignment.

(c) Upon the written direction of an Authorized Representative of the Agency, the PILOT Trustee shall sell at the best price reasonably obtainable by it, or present for redemption or exchange, any obligations in which moneys shall have been invested to the extent necessary to provide cash in the respective funds and accounts established under the PILOT Assignment required to make any payments to be made therefrom or to facilitate transfers of moneys or securities between various funds or accounts. The PILOT Trustee shall not be liable for any losses incurred as a result of actions taken in good faith in accordance with this paragraph or any losses incurred as a result of any actions taken in the absence of instructions required by the PILOT Assignment and described in this paragraph. As soon as practicable, but in no event more than three (3) Business Days after any such sale, redemption or exchange, the PILOT Trustee shall give notice thereof to the Agency and the Company.

(d) The PILOT Trustee shall not be liable for any loss arising from, or any depreciation in the value of, any Qualified Investments in which moneys under the PILOT Assignment shall be invested. The investments authorized by this summarized section shall at all times be subject to the provisions of applicable law, as amended from time to time.

(e) Qualified Investments held in any funds or accounts under the PILOT Assignment shall be valued at the lesser of cost or market price, inclusive of accrued interest.

#### **Allocation of PILOT Receipts—PILOT Bonds Outstanding**

(a) Subject to the PILOT Assignment and as summarized in paragraph (b) immediately below, PILOT Receipts held by the PILOT Trustee while PILOT Bonds are Outstanding shall be applied for the following purposes in the priority in which listed (including curing any deficiencies in prior deposits, transfers or payments), the requirements of each deposit, transfer or payment to be fully satisfied, leaving no deficiencies, prior to any deposit, transfer or payment later in priority, except as otherwise specifically provided below:

- (i) FIRST, from the Debt Service and Reimbursement Fund, on each date on which an amount of PILOT Receipts is deposited to such Debt Service and Reimbursement Fund, the PILOT Trustee shall immediately transfer such amount of PILOT Receipts to the Bond Trustee, in any event in an aggregate amount such that upon the final transfer to the Bond Trustee of PILOT Receipts relating to a particular PILOT Year, the amount so transferred to the Bond Trustee is equal to the Bond Year Requirement for the Bond Year that begins during such PILOT Year; and
- (ii) SECOND, immediately after the transfer described in paragraph (i) above, but only to the extent that all deposits, transfers or payments required by paragraph (i) have been made and all requirements with respect thereto have been fully and completely satisfied (including the curing of any deficiencies in prior deposits, transfers or payments) from the O&M Fund, the PILOT Trustee shall transfer to the Company, as agent for the Agency, the amount on deposit in the O&M Fund; provided that, by its acceptance of any amount so transferred, the Company shall be deemed to covenant (A) to expend such moneys on costs of operation and maintenance of the Stadium incurred pursuant to the Lease Agreement; (B) to keep such moneys in a segregated account, not commingled with any moneys of the Company, until they are so expended; (C) to maintain reasonably sufficient records of the expenditure of such moneys so as to be able to demonstrate that such expenditure complies with subclause (A), above; and (D) to provide a certification to the PILOT Trustee and the Agency, if and when requested, but in no event more frequently than twice in any PILOT Year, as to compliance with clause (A), above, including copies of any records described in clause (C), above, necessary to substantiate such certification.

(b) If (1) PILOT Bonds are Outstanding, and (2)(A) the PILOT Trustee has received notice from the Bond Trustee in an Initial PILOT Certificate that the Bond Year Requirement has been Estimated for the Bond Year that first commences after the date on which the Master PILOT Indenture requires the Bond Trustee to deliver such Initial PILOT Certificate, or (B) no Initial PILOT Certificate has yet been received by the PILOT Trustee from the Bond Trustee with respect to the Bond Year Requirement for the Bond Year commencing during the current PILOT Year, then PILOT Receipts held by the PILOT Trustee shall be applied for the following purposes in the priority in which listed (including curing any deficiencies in prior deposits, transfers or payments), the requirements of each deposit, transfer or payment to be fully satisfied, leaving no deficiencies, prior to any deposit, transfer or payment later in priority, except as otherwise specifically provided below:

- (i) FIRST, from the Debt Service and Reimbursement Fund, on each date on which an amount of PILOT Receipts is deposited to such Debt Service and Reimbursement Fund, the PILOT Trustee shall immediately transfer such amount of PILOT Receipts to the Bond Trustee; and
- (ii) SECOND, from the O&M Fund, on each date on which the PILOT Trustee receives a Supplemental PILOT Certificate from the Bond Trustee, the PILOT Trustee shall immediately transfer to the Debt Service and Reimbursement Fund an amount equal to the Additional Bond Year Requirement set forth in such Supplemental PILOT Certificate; and
- (iii) THIRD, from the O&M Fund, on February 2 of each PILOT Year, or on the first Business Day thereafter in the event that such February 2 is not a Business Day, the PILOT Trustee shall transfer to the Company, as agent for the Agency, if no Initial PILOT Certificate has been previously received by the PILOT Trustee with respect to the Bond Year Requirement for the Bond Year commencing during the current PILOT Year and the Bond Year Requirement for such Bond Year will not be Estimated, seventy-five percent (75%) of any moneys then on deposit in the O&M Fund that were transferred to the O&M Fund during the such PILOT Year; provided, however, that immediately upon the subsequent receipt by the PILOT Trustee of an Initial PILOT Certificate setting forth the Bond Year Requirement for the Bond Year that begins during the current PILOT Year, the PILOT Trustee shall transfer immediately to the Company, as agent for the Agency, the remaining moneys on deposit in the O&M Fund, less an amount equal to the amount, if any, by which the Bond Year Requirement for the Bond Year that begins during the current PILOT Year exceeds the Bond Year Requirement for the immediately preceding Bond Year, which difference shall be immediately transferred by the PILOT Trustee to the Debt Service and Reimbursement Fund; and provided further that, by its acceptance of any amount transferred to it pursuant to this paragraph, the Company shall be deemed to covenant (1) to expend such moneys on costs of operation and maintenance of the Stadium incurred pursuant to Articles 9 and 10 of the Stadium Lease; (2) to keep such moneys in a segregated account, not commingled with any moneys of the Company, until they are so expended; (3) to maintain reasonably sufficient records of the expenditure of such moneys so as to be able to demonstrate that such expenditure complies with subclause (1), above; and (4) to provide a certification to the PILOT Trustee and the Agency, if and when requested, but in no event more frequently than twice in any PILOT Year, as to compliance with subclause (1), above, including copies of any records described in subclause (3), above, necessary to substantiate such certification; and
- (iv) FOURTH, from the O&M Fund, on January 14 of each PILOT Year, or on the immediately preceding Business Day in the event that such January 14 is not a Business Day, the PILOT Trustee shall transfer to the Company, as agent for the Agency, all moneys, if any, then on deposit in the O&M Fund that were transferred to the O&M Fund with respect to such PILOT Year; provided, however, that by its acceptance of any amount transferred to it pursuant to this Section (b)(iv), the Company shall be deemed to covenant (1) to expend such moneys on costs of operation and maintenance of the Stadium incurred pursuant to Articles 9 and 10 of the Stadium Lease; (2) to keep such moneys in a segregated account, not commingled with any moneys of the Company, until

they are so expended; (3) to maintain reasonably sufficient records of the expenditure of such moneys so as to be able to demonstrate that such expenditure complies with clause (1), above; and (4) to provide a certification to the PILOT Trustee and the Agency, if and when requested, but in no event more frequently than twice in any PILOT Year, as to compliance with clause (1), above, including copies of any records described in clause (3), above, necessary to substantiate such certification.

#### **Allocation of PILOT Receipts—PILOT Bonds No Longer Outstanding**

(a) If no PILOT Bonds are Outstanding but the Agency is subject to one or more Reimbursement Obligations in connection with the PILOT Bonds, PILOT Receipts held by the PILOT Trustee shall be applied for the following purposes in the priority in which listed (including curing any deficiencies in prior deposits, transfers or payments), the requirements of each deposit, transfer or payment to be fully satisfied, leaving no deficiencies, prior to any deposit, transfer or payment later in priority, except as otherwise specifically provided below:

- (i) FIRST, from the Debt Service and Reimbursement Fund, on each date (each, a “Reimbursement Date”) on which an amount relating to a Reimbursement Obligation (each, a “Reimbursement Payment”) is required to be paid pursuant to the applicable arrangements between the Agency and the Reimbursed Party, the PILOT Trustee shall transfer PILOT Receipts to the Reimbursed Party in an amount equal to such Reimbursement Payment and in accordance with a certification (the “Reimbursement Certification”), which shall be submitted to the PILOT Trustee by the Reimbursed Party no fewer than ten (10) Business Days prior to the date of the deposit to the Debt Service and Reimbursement Fund required by the PILOT Assignment and summarized in clause (i) of paragraph (c) above under the caption “Receipt and Deposit of PILOTs”, and which shall be approved in writing by the Agency prior to such submission to the PILOT Trustee, which Reimbursement Certification shall include such information regarding the time, place and method of payment of such Reimbursement Payments as shall be reasonably necessary to permit the PILOT Trustee to make such Reimbursement Payments as directed; and
- (ii) SECOND, on each January 14, or on the immediately preceding Business Day in the event that such January 14 is not a Business Day, from the O&M Fund, the PILOT Trustee shall transfer to the Company, as agent for the Agency, all moneys, if any, then on deposit in the O&M Fund that were transferred to the O&M Fund with respect to such PILOT Year, provided, however, by its acceptance of any amount so transferred, the Company shall be deemed to covenant (A) to expend such moneys on costs of operation and maintenance of the Stadium incurred pursuant to the Stadium Lease; (B) to keep such moneys in a segregated account, not commingled with any moneys of the Company, until they are so expended; (C) to maintain reasonably sufficient records of the expenditure of such moneys so as to be able to demonstrate that such expenditure complies with subclause (A), above; and (D) to provide a certification to the PILOT Trustee and the Agency, if and when requested, but in no event more frequently than twice in any PILOT Year, as to compliance with subclause (A), above, including copies of any records described in subclause (C), above, necessary to substantiate such certification.

(b) If no PILOT Bonds are Outstanding and the Agency is not subject to any Reimbursement Obligation in connection with the PILOT Bonds, PILOT Receipts held by the PILOT Trustee in the City Fund and the O&M Fund, respectively, shall, on each February 1, or on the first Business Day thereafter in the event that such February 1 is not a Business Day: (a) be transferred by the PILOT Trustee from such City Fund to the City; and (b) be transferred by the PILOT Trustee from such O&M Fund to the Company, as agent for the Agency; provided, however, that by its acceptance of any amount so transferred, the Company shall be deemed to covenant (A) to expend such moneys on costs of operation and maintenance of the Stadium incurred pursuant to the Stadium Lease; (B) to keep such moneys in a segregated account, not commingled with any moneys of the Company, until they are so expended; (C) to maintain reasonably sufficient records of the expenditure of such moneys so as to be able to demonstrate that such expenditure complies with subclause (A), above; and (D) to provide a certification to the PILOT Trustee and the Agency, if and when requested, but in no event more frequently than twice in any PILOT Year, as to compliance with subclause (A), above, including copies of any records described in subclause (C), above, necessary to substantiate such certification.

### **Company's Right to Refund**

Notwithstanding provisions of the PILOT Assignment, which are summarized in clause (ii) of paragraph (a) and clauses (ii), (iii) and (iv) of paragraph (b) of the certain section entitled "Allocation of PILOT Receipts – PILOT Bonds Outstanding", and clause (ii) of paragraph (a) and paragraph (b) of the section immediately above, in the event that the assessment of the Facility is reduced retroactively as a result of any judicial review undertaken pursuant to Section 11 of the PILOT Agreement, and, as a result of such reduction, the Actual Taxes for any PILOT Year would have been less than the PILOT that was made by the Company with respect to such PILOT Year, the Company shall be entitled to a refund from moneys held in the O&M Fund in an amount equal to the difference between the PILOT made by the Company with respect to such PILOT Year and such reduced Actual Taxes.

### **No Recourse; Limited Obligation of the Agency**

(a) *No Recourse.* All covenants, stipulations, promises, agreements and obligations of any party to the PILOT Assignment shall be deemed to be the covenants, stipulations, promises, agreements and obligations of such party and any Person legally obligated to perform the obligations of such party and not of any member, shareholder, limited partner, officer, agent, servant or employee of such party in his, her or its individual capacity, and no recourse under or upon any obligation, covenant or agreement contained in the PILOT Assignment, or otherwise based on or in respect of the PILOT Assignment, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, shareholder, limited partner, officer, agent, servant or employee, as such, of such party or any successor thereto or any person executing the PILOT Assignment on behalf of such party. Any and all such liability of, and any and all such rights and claims against, any person or entity other than a party to the PILOT Assignment under or by reason of the obligations, covenants or agreements contained in the PILOT Assignment or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of the PILOT Assignment.

(b) *Limited Obligation.* The obligations and agreements of the Agency contained in the PILOT Assignment shall not constitute or give rise to an obligation of the State or the City, and neither of the State or the City shall be liable thereon. Furthermore, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency payable solely from certain revenues of the Agency relating to the Facility.

## **Tax Covenant**

(a) The PILOT Trustee shall not take or omit to take any action which would cause interest on any PILOT Bond issued as a Tax-Exempt Bond to be included in the gross income of any Holder thereof for federal income tax purposes by reason of subsection (b) of Section 103 of the Code. Without limiting the generality of the foregoing, no funds of the Agency shall be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any PILOT Bond issued as a Tax-Exempt Bond to be an “arbitrage bond” as defined in Section 148 of the Code and to be subject to treatment under subsection (b)(2) of Section 103 of the Code as an obligation not described in subsection (a) of said section. The Agency shall pay to the United States any amounts that are necessary for the purpose of compliance with the provisions of Section 148 of the Code. The provisions summarized in of this paragraph shall survive the defeasance and payment of the PILOT Bonds issued as Tax-Exempt Bonds.

(b) Notwithstanding any provision of the PILOT Assignment to the contrary, upon the PILOT Trustee’s failure to observe, or refusal to comply with, the covenant summarized in paragraph (a) immediately above, the Owner of the PILOT Bonds issued as Tax-Exempt Bonds, or the Bond Trustee acting on their behalf, shall be entitled only to the right of specific performance of such covenant, in the manner and to the extent permitted under the Master PILOT Indenture, and shall not be entitled to any of the other rights and remedies provided under the Master PILOT Indenture.

[THIS PAGE INTENTIONALLY LEFT BLANK]

## APPENDIX F

### Summary of the PILOT Mortgages

*The following is a brief summary of certain provisions of the PILOT Mortgages. This summary does not purport to be comprehensive or complete, and reference is made to the PILOT Mortgages for full and complete statements of such and all provisions. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in APPENDIX A - "DEFINITIONS OF CERTAIN TERMS."*

**Although the PILOT Mortgages will secure the payment of PILOTs by the Company to the PILOT Trustee under the PILOT Agreement, the PILOT Mortgages will not be assigned to the Bond Trustee and will not constitute security for the PILOT Bonds. Bondholders will have no rights under the PILOT Mortgages.**

Each of the Agency and the Company mortgages to the Agency, as Mortgagee, all of its respective right, title and interest in and to the following described property (collectively, the "Mortgaged Property"), excluding, however, the Agency's Reserved Rights:

(i) The Ground Lease, the Lease Agreement and the Stadium Sublease Agreement and the leasehold estates and other estates created thereby, together with all the estate and rights of the Agency in and to the Land under and by virtue of the Ground Lease and all the estate and rights of the Company in and to the Land and the Stadium under and by virtue of the Lease Agreement.

(ii) The Facility, together with the tenements, hereditaments, servitudes, estates, rights, easements, whether temporary or permanent, privileges, liberties, licenses, royalties, mineral, oil and gas rights, reversions, remainders and immunities thereunto belonging or appertaining that may from time to time be owned by the Agency and/or the Company.

(iii) All fixtures, equipment, machinery, apparatus, appliances, fittings and 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 incorporated in, or attached to, the Land and/or the Stadium and owned by the Agency or in which the Agency has or shall have an interest and all renewals and replacements thereof and additions and accessions thereto, (which machinery, apparatus, equipment, fittings, fixtures and articles of personal property, all replacements thereof, substitutions therefor and additions and accessions thereto, together with the proceeds thereof, are hereafter collectively referred to as the "Fixtures"), all of which shall be deemed to be, remain and form a part of the Facility and be encumbered by and subject to the lien of the PILOT Mortgage, but only to the extent that the Fixtures or such other property constitutes property which could be subject to, or be the subject of, a real property tax in rem foreclosure proceeding in the City (the "Mortgaged Fixtures").

(iv) All insurance proceeds, condemnation awards and other compensation, 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 Land and/or the Stadium), which are heretofore or hereafter made with respect to the Land and/or the Stadium 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 Land and/or the Stadium.

(v) All right, title and interest of the Agency in and to (a) any and all present and future leases (other than the Ground Lease) of space in the Facility; (b) any and all present and future



subleases, licenses and other occupancy agreements (other than the Lease Agreement) of space in the Facility; (c) all rents, issues, profits and other revenues payable to the Agency under any such leases, subleases, licenses and occupancy agreements; and (d) any contracts for the sale of all or any portion of the Land and/or the Stadium and any down payments or other proceeds thereof.

(vi) All right, title and interest of the Company in and to (a) any and all present and future leases (other than the Lease Agreement) of space in the Facility; (b) any and all present and future subleases, licenses and other occupancy agreements (other than the Stadium Sublease Agreement) of space in the Facility; (c) all rents, issues, profits and other revenues payable to the Company under any such leases, subleases, licenses and occupancy agreements; and (d) any contracts for the sale of all or any portion of the Land and/or the Stadium and any down payments or other proceeds thereof.

(vii) All the right, in the name and on behalf of the Agency and/or the Company, to appear in and defend any action or proceeding brought with respect to the lien of the PILOT Mortgage, the Land and/or the Stadium and to commence any action, suit or proceeding to protect the lien of the PILOT Mortgage and/or the interest of the Mortgagee in and to the Land and/or the Stadium.

(viii) Any and all air rights, development rights, zoning rights or other similar rights or interests that benefit or are appurtenant to the Land and/or the Stadium and any proceeds arising therefrom.

(ix) In connection with the Facility, all appurtenances in respect of or otherwise relating to the Ground Lease, the Lease Agreement and the Stadium Sublease Agreement, including, without limitation, any renewal options and expansion rights, and (a) all modifications, amendments, renewals and extensions of the Ground Lease, the Lease Agreement and the Stadium Sublease Agreement, and all other rights to renew or extend the term thereof, (b) all other options, privileges and rights granted and demised to the Agency and/or the Company under the Ground Lease, the Lease Agreement and the Stadium Sublease Agreement, (c) all the right or privilege of the Agency and/or the Company to terminate, cancel, abridge, surrender, merge, modify or amend the Ground Lease, the Lease Agreement or the Stadium Sublease Agreement, and (d) any and all possessory rights of the Agency and/or the Company and other rights and/or privileges of possession, including, without limitation, the right of the Agency and/or the Company to elect to remain in possession of the Land, the Stadium and the leasehold and/or subleasehold estates created by the Ground Lease, the Lease Agreement and the Stadium Sublease Agreement pursuant to Section 365(h)(1) of the Federal bankruptcy code (as amended from time to time and including any successor legislation thereto, the "Bankruptcy Code").

(x) In connection with the Facility, all of the Agency's and/or the Company's claims and rights to damages and any other remedies in connection with or arising from the rejection of the Lease Agreement by the Company or the rejection of the Stadium Sublease Agreement by the Partnership, or any trustee, custodian or receiver pursuant to the Bankruptcy Code in the event that there shall be filed by or against the Company or the Partnership any petition, action or proceeding under the Bankruptcy Code or under any other similar Federal or state law now or hereafter in effect.

(xi) Any and all further estate, right, title, interest, property, claim and demand whatsoever of the Agency and/or the Company in and to any of the above.

### **Payment, Performance, Observance and Compliance**

The Company will timely pay, perform, observe and comply with all of the Obligations to which it is subject in accordance with the terms of the PILOT Agreement and the PILOT Mortgage.

### **Assignment of PILOT Mortgage**

Immediately after the execution and delivery of the PILOT Mortgage, the Mortgagee will assign its interest as mortgagee under the PILOT Mortgage to the PILOT Trustee.

### **Protective Action**

If any action or proceeding is commenced (except an action to foreclose the PILOT Mortgage or to collect the Obligations secured by the PILOT Mortgage), to which the Mortgagee is made a party, or in which it becomes necessary to defend or uphold the lien of the PILOT Mortgage, all sums paid by the Mortgagee for the expense of any litigation to prosecute or defend the rights and lien created by the PILOT Mortgage (including reasonable attorneys' fees and all costs and disbursements incurred in connection with such litigation) will be paid by the Company, together with interest thereon at the applicable rate prescribed by Title 1 of Article 18-A of the General Municipal Law of the State, and any such sum and the interest thereon shall be a lien on the Mortgaged Property, prior to any right, title to, interest in or claim upon the Mortgaged Property attaching or accruing subsequent to the lien of the PILOT Mortgage, and shall be deemed to be secured by the PILOT Mortgage. In any action or proceeding to foreclose the PILOT Mortgage, the provisions of law respecting the recovery of costs, disbursements and allowance shall apply unaffected by this covenant.

### **After-Acquired Property**

All right, title and interest of the Agency and/or the Company in and to all improvements, betterments, renewals, substitutions and replacements of, and all additions, accessions and appurtenances to, the Mortgaged Property, or any part thereof, hereafter acquired, constructed, assembled or placed by or at the direction of the Agency or the Company on or in the Mortgaged Property, and all conversions and proceeds of the security constituted thereby, immediately upon such acquisition, construction, assembly, placement or conversion, as the case may be, and in each such case without any further mortgage, conveyance or assignment or other act of the Agency or the Company, shall become subject to the lien of the PILOT Mortgage as fully and completely, and with the same force and effect as though now owned by the Agency or the Company and specifically described in the Granting Clauses of the PILOT Mortgage, but at any and all times the Agency (at the sole cost and expense of the Company), and the Company, on demand, will execute, acknowledge and deliver to the Mortgagee, and will cause to be recorded or filed as provided in the PILOT Mortgage, any and all such further assurances and mortgages, conveyances or assignments thereof as the Mortgagee may reasonably require for the purposes of expressly and specifically subjecting the same to the lien of the PILOT Mortgage.

### **Limitations on Actions of Company**

If the Company believes that the Mortgagee has not acted reasonably in granting or withholding any consent or approval, making any other determination or taking, or failing to take any other action under the PILOT Mortgage, or any other instrument now or hereafter executed and delivered pursuant to the PILOT Mortgage, as to which consent or approval, determination or other action either the Mortgagee has expressly agreed to act reasonably or absent such agreement, a court of law having jurisdiction over the subject matter would require the Mortgagee to act reasonably, the sole remedy of the Company shall be to seek injunctive relief or specific performance, and no action for monetary damages or punitive damages shall in any event or under any circumstance be maintained by the Company against the Mortgagee, and the Company shall have no claim or charge against the payment or performance of the Obligations.

## **Default**

The failure to pay any of the PILOT Obligations as set forth in the PILOT Agreement, or any interest or late payment charges, as specified in the PILOT Agreement, as and when payment of such PILOT Obligations, interest or late payment charges thereon, are due constitutes a “Default” for purposes of the PILOT Mortgage.

## **Remedies**

(a) Upon the occurrence and during the continuation of any Default under the PILOT Mortgage, the Mortgagee’s exercise of its rights and remedies specified in Paragraph (b) of this summarized section are expressly subject to the satisfaction of the following conditions precedent:

(i) the failure to pay any of the PILOT Obligations, or any interest or late payment charges thereon, as specified in the PILOT Agreement, as and when payment of such PILOT Obligations, interest or late payment charges thereon were due constituting such Default shall have continued unremedied for a period of one (1) year after the date any such PILOT Obligations, interest or late payment charges thereon were due in accordance with the terms of the PILOT Agreement;

(ii) at least ten (10) weeks before the exercise of any such rights or remedies, the Mortgagee shall have given the Company, the Agency, the Partnership, the Commissioner of Finance of The City of New York and the holder of record of any other mortgage encumbering all or any portion of the Mortgaged Property that is subordinate in lien to the lien of the PILOT Mortgage (each, a “Subordinate Mortgagee”) written notice of (A) the failure to pay any of the PILOT Obligations, interest or late payment charges thereon, as and when such PILOT Obligations, interest or late payment charges thereon, were due, and (B) the intent of the Mortgagee to exercise its rights and remedies under the PILOT Mortgage unless such failure is cured within ten (10) weeks after the date of such notice (the “Foreclosure Notice”); and

(iii) a copy of the Foreclosure Notice shall have been published at least once a week for six (6) consecutive weeks in (A) the City Record and (B) two newspapers, one of which may be a law journal and other of which is circulated generally in the Borough of The Bronx, the first such publication to occur at least ten (10) weeks before the exercise of any of such rights or remedies.

The Mortgagee will accept a cure of any such Default by the Partnership or any Subordinate Mortgagee with the same force and effect as if the Agency or the Company had cured such Default.

(b) Subject to Paragraph (a) immediately above, upon the occurrence and during the continuation of a Default under the PILOT Mortgage, the Mortgagee may, in addition to any other rights or remedies available to it, take such action, as it deems advisable to protect and enforce its rights against the Agency (subject to the provisions of the summarized section entitled “No Recourse; Limitation of Liability”) and the Company in and to the Mortgaged Property, including 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) without entry, institute proceedings to foreclose the lien of the PILOT Mortgage against all or, from time to time, 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 sale, subject to any statutory and other legal requirements, including all right, title and interest, claim and demand therein and thereto and all right of redemption thereof, in each case of the Agency and the Company;

(ii) sell, assign or transfer the Mortgaged Property or any part thereof and all estate, claim, demand, right, title and interest of the Agency and/or the Company therein and right of redemption thereof, pursuant to the 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 (ten (10) days notice of sale of the Mortgaged Property being deemed reasonable notice) for such price and form of consideration as the Mortgagee may determine as may be required by law; or

(iii) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained in the PILOT Mortgage.

(c) Notwithstanding the foregoing, upon the occurrence and during the continuation of any Default under the PILOT Mortgage, the Mortgagee may not exercise any remedy or take any other action which would result in the termination of any of the rights of the Partnership to use the Facility in accordance with and pursuant to the terms of the Stadium Sublease Agreement prior to the expiration of a period (the "PILOT Mortgage Stay Period") commencing on the date of the occurrence of such Default and ending on the date that is six (6) months after the date of such commencement; provided that if the PILOT Mortgage Stay Period expires during a Team Season, the PILOT Mortgage Stay Period shall be extended to the day after the last day of such Team Season.

### **Foreclosure**

(a) In the case of a foreclosure sale or pursuant to any order in any judicial proceeding or otherwise, the Mortgaged Property may be sold as an entirety in one parcel (or as one integrated unit) or separate parcels in such manner or order as the Mortgagee, in its sole discretion, may elect.

(b) The Mortgagee may adjourn from time to time any foreclosure sale to be made under or by virtue of the PILOT Mortgage by announcement at the time and place appointed for such sale or for such adjourned sale or sales and, except as otherwise provided by any applicable provision of law, the Mortgagee, without further notice or publication, may prosecute such sale in court at the time and place to which the same shall be so adjourned as the same may be so ordered.

(c) Upon the completion of any foreclosure sale, an officer of any court empowered to do so shall execute and deliver to the accepted purchaser or purchasers a good and sufficient instrument, or good and sufficient instruments, granting, conveying, assigning and transferring all estate, right, title and interest in and to the property and rights sold.

(d) Upon any sale made under or by virtue of the foreclosure of the PILOT Mortgage, the Mortgagee may bid for and acquire the Mortgaged Property or any part thereof and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting upon the Obligations the net sales price after deducting therefrom the expenses of the sale and the costs of the action and any other sums that the Mortgagee is entitled to receive under the Obligations, together with interest and late charges thereon.

(e) No recovery of any judgment by the Mortgagee and no levy of an execution under any judgment upon the Mortgaged Property or upon any other property of the Mortgagor shall affect in any manner or to any extent the lien of the PILOT Mortgage upon the Mortgaged Property or any part thereof, or any liens, rights, powers or remedies of the Mortgagee under the PILOT Mortgage, but such liens, rights, powers and remedies of the Mortgagee shall continue unimpaired.

(f) The proceeds of any sale made under or by virtue of this summarized section shall be applied as follows:

First: To payment of the reasonable costs and expenses of any such sale, including reasonable out-of-pocket costs of the Mortgagee, its agents and counsel, and of any judicial proceedings wherein the same may be made;

Second: To the payment of the Obligations, together with interest and late charges thereon;

Third: To the payment of any and all other sums secured by the PILOT Mortgage;

Fourth: The surplus, if any, to the Agency or to such other Person or Persons as may be lawfully entitled to receive the same.

### **Attorneys Fees and Other Costs**

The Company will bear all costs, fees and expenses, including court costs and reasonable attorneys' fees and disbursements for legal services of or incidental to the enforcement of any provisions of the PILOT Mortgage, or enforcement, compromise or settlement of any of the Obligations, or for the curing of any Default under the PILOT Mortgage, or defending or asserting the rights and claims of the Mortgagee in respect thereof, by litigation or otherwise, and, upon demand therefor, will pay to the Mortgagee any such expenses incurred, and such expenses shall be deemed part of the Obligations secured by the PILOT Mortgage, and from the date due shall be collectible in like manner as the Obligations secured by the PILOT Mortgage and, until so paid, shall bear interest at the rate otherwise applicable to late payment of taxes, as such rate is determined from time to time by resolution of the City Council.

### **No Recourse; Limitation of Liability**

The obligations and agreements of the Agency contained in the PILOT Mortgage and in the other Agency Documents and in any other instrument or document executed in connection with the PILOT Mortgage or the other Agency Documents, and any instrument supplemental to the PILOT Mortgage or the other Agency Documents, are deemed the obligations and agreements of the Agency and not of any member, director, officer, agent (other than the Company) or employee of the Agency in his individual capacity; and the members, directors, officers, agents (other than the Company) and employees of the Agency shall not be liable personally or be subject to any personal liability or accountability based upon or in respect of the PILOT Mortgage or the other Agency Documents or of any transaction contemplated by the PILOT Mortgage or the other Agency Documents. The obligations and agreements of the Agency contained in the PILOT Mortgage or in the other Agency Documents shall not constitute or give rise to an obligation of the State or of the City. Further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency, payable solely from the revenues of the Agency derived from the lease, sale or other disposition of the Mortgaged Property. No order or decree of specific performance with respect to any of the obligations of the Agency under the PILOT Mortgage or under the other Agency Documents shall be sought or enforced against the Agency unless:

(i) The party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Agency shall have refused to comply with such request (or if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period;

(ii) If the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses; and

(iii) If the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it or any of its members, directors, officers, agents (other than the Company) or employees shall be subject to potential liability, the party seeking such order or decree shall (A) agree to protect, defend, indemnify and hold harmless the Agency and its members, directors, officers, agents (other than the Company) and employees against any liability incurred as a result of its compliance with such demand; and (B) if requested by the Agency, furnish to the Agency satisfactory security to protect the Agency and its members, directors, officers, agents (other than the Company) and employees against all liability expected to be incurred as a result of compliance with such request.

In connection with the defense and indemnification of the Agency by the Company, the applicable provisions of the Lease Agreement are incorporated by reference in the PILOT Mortgage and shall survive any termination of the Lease Agreement or discharge of the PILOT Mortgage.

### **Condemnation and Insurance Proceeds**

In connection with the condemnation or the damage or destruction of any Mortgaged Property and the payment of any condemnation awards or insurance or other proceeds in connection therewith, the applicable provisions of the Lease Agreement described in the Sections of the Official Statement entitled "THE STADIUM – Real Estate Leases – *Lease Agreement*" and "THE STADIUM – Insurance" are deemed incorporated into the PILOT Mortgage and survive any termination of the Lease Agreement.

### **Discharge**

Upon the indefeasible payment in full of the Obligations, and all other sums secured by the PILOT Mortgage, the PILOT Mortgage and the lien created by the PILOT Mortgage shall be of no further force or effect, and the Agency and the Company shall be released from their respective covenants, agreements and obligations contained in the PILOT Mortgage.

Upon the indefeasible payment in full of the Obligations and all other sums secured by the PILOT Mortgage, the Mortgagee, at the request and the expense of the Company, shall promptly execute and deliver to the Company in respect of the PILOT Mortgage a satisfaction of mortgage or, if requested by the Company, an assignment of mortgage without recourse, in each case in form suitable for recording in the Office of the City Register, Bronx County, together with such other documents as may be reasonably requested by the Company to evidence the satisfaction and discharge of the PILOT Mortgage and the release of the Company and the Agency from their respective covenants, agreements and obligations under the PILOT Mortgage, or the assignment of the PILOT Mortgage, as the case may be.

### **Lease Agreement**

Nothing contained in the PILOT Mortgage limits the rights of the Company (a) to terminate the Lease Agreement prior to the Fixed Expiration Date (as defined therein) or (b) to exercise any right to extend the term of the Lease Agreement in accordance with the express terms of the Lease Agreement.

[THIS PAGE INTENTIONALLY LEFT BLANK]

## APPENDIX G

### Summary of the Non-Relocation Agreement

*The following is a brief summary of certain provisions of the Non-Relocation Agreement. This summary does not purport to be comprehensive or complete, and reference is made to the Non-Relocation Agreement for full and complete statements of such and all provisions. All capitalized terms used herein and not otherwise defined herein, shall have the meanings assigned thereto in APPENDIX A - "DEFINITIONS OF CERTAIN TERMS."*

**The Issuer's rights and remedies under the Non-Relocation Agreement will not be pledged or assigned to the Bond Trustee as security for the Series 2020 PILOT Bonds. Series 2020 PILOT Bondholders will have no rights under the Non-Relocation Agreement.**

#### Principal Covenants

*Non-Relocation.* The Partnership covenants and agrees as follows:

Requirement to Play. Subject only to the exceptions summarized under the heading "Exceptions" below, it shall cause the Team to play all of its Home Games (a) in the Existing Stadium from the Effective Date until the end of the Regular MLB Season immediately preceding the First Season Commencement Date and (b) in the Stadium during each Regular MLB Season from the First Season Commencement Date through the Initial Term.

Name. It shall cause the Team to play all of its Home Games, from the Effective Date through the Initial Term, using a name that incorporates the words "New York".

Prohibited Relocation. From the Effective Date through the Initial Term, the Partnership shall not cause, nor permit to occur, any Prohibited Relocation.

No Adverse Action. From the Effective Date through the Initial Term, the Partnership will not (a) cause or, to the extent within its powers, permit to occur, any breach of the covenants summarized above, (b) enter into or participate in any negotiations or discussions with third parties, with respect to any agreement, legislation or financing that contemplates or would be reasonably likely to result in, any breach of the covenants summarized above; provided, that this clause (b) shall not prevent the Partnership from engaging in discussions with MLB or one or more MLB Entities for purposes of advising MLB or such MLB Entities of the Partnership's obligations under the Non-Relocation Agreement and discussing related matters; or (c) apply for or seek approval from third parties, including MLB or any MLB Entity, with respect to any agreement, legislation or financing that contemplates or would be reasonably likely to result in, any breach of the covenants summarized above. The foregoing sentence shall not be interpreted to prohibit the Partnership from entering into negotiations during the period commencing on the Effective Date and continuing through the Initial Term, or for contracting during such period, in each case for relocation of the Team after the end of the Initial Term.

#### Exceptions

(A) *Exception for Home Games:* Subject to paragraph (b) immediately below, up to twelve (12) Home Games over any two (2) consecutive Regular MLB Seasons may be played in venues other than (A) the Existing Stadium for Regular MLB Seasons ending prior to the First Season Commencement Date or (13) the Stadium for Regular MLB Seasons commencing on or after the First Season



Commencement Date; provided, that, in no event shall the number of Home Games played during any Regular MLB Season in venues other than the Existing Stadium or the Stadium, as the case may be, equal or exceed the number of Home Games that would cause or constitute a Prohibited Relocation under the Non-Relocation Agreement; and, provided, further, that Home Games which are cancelled or suspended in accordance with the MLB Trinity due to weather or due to field conditions other than field conditions resulting from the actions of the Partnership or the failure by the tenant under the Lease Agreement to perform its obligations thereunder, and are rescheduled and played in the home ballpark of another Major League Baseball Club in accordance with the MLB Trinity, shall be treated, for purposes of the "Requirement to Play" covenant summarized above, as having been played in the Existing Stadium or the Stadium, as applicable.

*(B) Force Majeure; Casualty; Temporary Taking; Termination of Lease.*

(a) If an event of Force Majeure, a Casualty or a Temporary Taking renders the Stadium, on or after the First Season Commencement Date, or the Existing Stadium, prior to the First Season Commencement Date, not reasonably fit for use for MLB games in accordance with the Stadium Sublease Agreement or MLB Trinity, the Team may play Home Games in a location other than the Stadium or Existing Stadium, as applicable, but only during the period of time that such event of Force Majeure, Casualty or Temporary Taking continues or the Stadium or Existing Stadium, as applicable, remains not reasonably fit for use, provided that (i) the Partnership promptly provides notice to the City, ESDC and the Issuer of such event or emergency, which notice shall, as soon as practicable, identify the event and the resulting condition and number of days and Home Games expected or projected to be played elsewhere and shall describe to them its plan to address such event of Force Majeure, Casualty or Temporary Taking, (ii) the Partnership provides updates to such notice on at least a monthly basis (and also upon receipt of any request for an update from the City, ESDC or the Issuer, which requests shall be reasonably made) until the Team recommences playing Home Games in the Stadium or Existing Stadium, as applicable, (iii) the Partnership, in its capacity as tenant under the Stadium Sublease Agreement, uses commercially reasonable and diligent efforts to enforce its rights under the Stadium Sublease to require the landlord thereunder to use, commercially reasonable and diligent efforts to remediate or repair such event of Force Majeure or Casualty, and (iv) the Team plays such Home Games in a location in one of the five boroughs of New York City if a Substantially Equivalent Facility is available for such purpose.

(b) Notwithstanding anything in the Non-Relocation Agreement to the contrary, the Partnership shall not be in breach, nor deemed to be in breach, of the covenants summarized above under "Requirement to Play" and "Prohibited Relocation" if the Team is not playing Home Games at the Stadium, on or after the First Season Commencement Date, or the Existing Stadium, prior to the First Season Commencement Date, as a result of a MLB-wide umpire or players strike, slowdown, walkout or lockout; provided that the Team is not playing Home Games elsewhere during any such strike period.

(c) Notwithstanding anything in the Non-Relocation Agreement to the contrary, if (i) the Lease Agreement is terminated pursuant to certain terms thereof or (ii) the Stadium Sublease Agreement is terminated by the Company or its successor in interest in accordance with the terms thereof, the Partnership's obligations under the Non-Relocation Agreement shall terminate and be of no further force and effect.

### **Continuous Operation**

The Partnership covenants in favor of the City, ESDC and the Issuer, from the Effective Date through the Initial Term: (i) to maintain and continuously operate the Team as a Major League Baseball Club; (ii) to hold, maintain and defend the right of the Team to play baseball as a Major League Baseball

Club; (iii) not to create or continue, any default in the performance of any obligation which would be reasonably likely to be the direct cause of termination or forfeiture of the Team under the MLB Trinity or otherwise; (iv) not to take any action or fail to take any action that would be reasonably likely to be the direct cause of termination or forfeiture of the Team (it being understood that any Transfer effected in accordance with the section summarized below entitled "Transfer of Franchise; Assumption and Agreement to be Bound; Covered Pledge" shall not violate this section); and (v) subject to paragraph (b) under the heading "Exceptions" above, to maintain a principal place of business and principal offices of the Team in one of the five boroughs of the City.

### **Transfer of Franchise; Assumption and Agreement to be Bound; Covered Pledge**

*Transfer of Franchise.* From the Effective Date through the Initial Term, so long as no Prohibited Relocation has occurred, the Partnership may sell, transfer, assign or otherwise dispose of the Team or any of its interest in the Team, whether by sale, assignment, merger, operation of law or otherwise, only upon the conditions that any sale, transfer, assignment or other disposition of the Team or of a controlling interest in the Team, whether to one or to a group of Persons (each, a "Transfer"): (A) comply with the summarized paragraph below entitled "Assumption and Agreement to be Bound"; and (B) not violate, or cause a violation by the Partnership of the MLB Trinity.

*Assumption and Agreement to be Bound.* (a) At least ten (10) Business Days prior to the date of consummation of any Transfer, the Partnership shall deliver to each of the City, ESDC and the Issuer, a notice of such Transfer which notice shall include the expected date of completion thereof, the name and, if not a natural person, state of formation of each purchaser, assignee or other transferee (each, a "Transferee") and a description of the interest being transferred to each and the method of transfer to each Transferee.

(b) At least five (5) Business Days prior to the date of consummation of any such Transfer, the Partnership shall deliver to each of the City, ESDC and the Issuer, a form of the Assumption and Agreement to be Bound, to be executed by the Transferee(s) at the time of consummation of such Transfer, in the form attached to the Non-Relocation Agreement, with all of the blanks filled in with respect to the proposed Transferee(s). Such Assumption and Agreement to be Bound shall be executed by the Transferee(s) prior to such sale, assignment, transfer or other disposition and upon execution thereof the Partnership shall promptly deliver an originally executed counterpart of such executed agreement to each of the City, ESDC and the Issuer. Nothing in the Non-Relocation Agreement shall restrict the Partnership's ability to redact the financial or other material terms of any documents (other than the notice of Transfer required by subparagraph (a) above, the Assumption and Agreement to be Bound and the Mutual Release, as defined below) which it may deliver to the City, ESDC or the Issuer in connection with any Transfer.

(c) Upon receipt by the City, ESDC and the Issuer of an originally executed counterpart of the Assumption and Agreement to be Bound in the form attached to the Non-Relocation Agreement, completed, executed and delivered by the Transferee(s) as summarized in this section under the heading "Assumption and Agreement to be Bound", and provided the Partnership will have no interest in the Team following the Transfer, the Partnership shall execute and deliver to the City, ESDC and the Issuer and the City, ESDC and the Issuer shall execute and deliver to the Partnership, a Mutual Release in the form attached to the Non-Relocation Agreement (the "Mutual Release").

(i) *Covered Pledge.*

(A) Any pledge, lien, security interest, hypothecation, or similar conditional assignment of the Team or of a controlling interest therein given to secure indebtedness for borrowed money or a guarantee of indebtedness for borrowed money is referred to as a “Covered Pledge”. In the absence of a specific intent to use a Covered Pledge to effect a Prohibited Relocation, the making of a Covered Pledge is not deemed to be a Transfer for purposes of the Non-Relocation Agreement.

(B) The Partnership shall not grant or permit to exist any Covered Pledge, unless the documents and other instruments implementing the Covered Pledge expressly provide, and the pledgee agrees in writing for the intended third-party benefit of the City, ESDC, the Issuer, and their respective successors and assigns that (i) such Covered Pledge is subject to the Non-Relocation Agreement, and (ii) any Transfer of the Team upon foreclosure or other enforcement of the Covered Pledge shall be on the condition that (x) the pledgee/transferor comply with the section summarized above entitled “Assumption and Agreement to be Bound” in lieu of the Partnership and (y) that the Transferee comply with the section summarized entitled “Assumption and Agreement to be Bound”.

(C) Concurrent with execution thereof or on the Effective Date (prior to execution of the Non-Relocation Agreement) if such Covered Pledge exists at such date, the Partnership shall provide to the City, ESDC and the Issuer, a copy of any documents and other instruments implementing such Covered Pledge certified as true and complete by an officer of the Partnership and including the express agreement of the pledgee as summarized in the preceding paragraph and third party beneficiary language in favor of the City, ESDC and the Issuer which permits any of them to enforce such agreement. Nothing in the Non-Relocation Agreement shall restrict the Partnership’s ability to redact the financial or other material terms (other than the express agreement and third party beneficiary language referenced in the preceding sentence, any language which would undermine the operation or effectiveness thereof, the notice of Transfer required by paragraph (a) of the section entitled “Assumption and Agreement to be Bound”) which it may deliver to the City, ESDC or the Issuer in connection with any Covered Pledge.

**MLB Trinity Information**

(i) The Partnership covenants to deliver to the City, ESDC and the Issuer, within five (5) Business Days of the Partnership's receipt thereof, copies, certified by the Partnership as true and complete copies, of any amendments or modifications to the MLB Trinity, after the Effective Date, which would be reasonably likely to impact the enforcement of the Non-Relocation Agreement. Furthermore, the Partnership covenants to make available to the City, ESDC and the Issuer for inspection on a "read-only" basis, with the ability to take notes, copies of any other amendments or modifications to the MLB Trinity, after the Effective Date, which are relevant to the Non-Relocation Agreement, the transactions contemplated by the Non-Relocation Agreement or the Ground Lease, Lease Agreement or Stadium Sublease Agreement.

(ii) Subject to the New York Freedom of Information Law (“FOIL”) or other legal obligation to compel disclosure (such as a subpoena), the City, ESDC and the Issuer agree to keep all such information and documents confidential. The City, ESDC and the Issuer agree to provide notice to the Partnership of any FOIL request or other legal obligation to disclose within ten (10) Business Days of receipt of such request or demand. Furthermore, if the City, ESDC or the Issuer determine that such information or documents are subject to disclosure pursuant to such FOIL request or other legal obligation, the City, ESDC or the Issuer, as applicable, agree to provide notice of such determination to the Partnership at least ten (10) Business Days (the “Notice Period”) prior to providing information or documents (i) pursuant to such FOIL request and (ii) to the extent possible, pursuant to such legal

obligation. During the Notice Period, the City, ESDC and the Issuer shall cooperate with the Partnership, at the Partnership's expense, to the extent it may seek, in accordance with applicable law, to limit disclosure of such information or documents or to obtain a protective order with respect thereto.

### **MLB Trinity – Conflict with the Non-Relocation Agreement**

Without limiting the rights of ESDC, the City or the Issuer as summarized below in the paragraph entitled "MLB Trinity – No Effect on Remedies", the parties to the Non-Relocation Agreement acknowledge and agree as follows:

(i) The conduct of activities at the Stadium, on or after the First Season Commencement Date, or the Existing Stadium, prior to the First Season Commencement Date, in conjunction with any Home Games or other event conducted under the auspices of or in affiliation with MLB or the Partnership, shall be subject in all respects to each of the following, as they may be amended from time to time: (A) any present or future agreements entered into by, or on behalf of, the MLB, any of the MLB Entities, or the Major League Baseball Clubs acting collectively, including, without limitation, the MLB Trinity, and each agreement entered into pursuant thereto, or (B) the present and future mandates, rules, regulations, policies, bulletins or directives issued or adopted by the Commissioner of Baseball or the MLB Entities.

(ii) That with respect to any MLB Rule or MLB Action, the Partnership may vote, and shall be permitted to act, in a manner that is consistent with the Partnership's best interests.

(iii) Each of the parties to the Non-Relocation Agreement acknowledges that the rights and obligations of the Partnership under the Non-Relocation Agreement are subject and subservient in all respects to the MLB Trinity.

### **MLB Trinity – No Effect on Remedies**

At any time, if there is or appears to be any conflict between the provisions of the Non-Relocation Agreement and the MLB Trinity, the Partnership shall diligently use its commercially reasonable best efforts with the MLB to resolve such a conflict so that the Partnership is able to perform its obligations under the Non-Relocation Agreement without conflict with the MLB Trinity. If the Partnership is unable to resolve such a conflict and the MLB Trinity has the effect of causing, or of requiring the Partnership to act or not act in a manner that is not consistent with the Partnership's covenants and agreements under the Non-Relocation Agreement and such action or failure to act would, but for the provisions summarized above under the heading entitled "MLB Trinity — Conflict with the Non-Relocation Agreement", constitute a breach of the Non-Relocation Agreement, an Event of Default or a Threatened Material Breach of the Non-Relocation Agreement, then notwithstanding the provisions of the summarized section entitled "MLB Trinity — Conflict with the Non-Relocation Agreement", the City, ESDC and the Issuer shall have all the rights to and may exercise any remedies under the Non-Relocation Agreement as if such occurrence were a breach, an Event of Default or a Threatened Material Breach, it being the intent of the parties to the Non-Relocation Agreement that no provision of the Non-Relocation Agreement (including the summarized section above entitled "MLB Trinity — Conflict with the Non-Relocation Agreement") shall nullify, modify or limit the obligations of the Partnership to comply with its obligations under the Non-Relocation Agreement or nullify, modify or limit the rights of the City, ESDC or the Issuer to exercise the remedies set forth in the section summarized below under the heading entitled "Defaults; Remedies".

## **Defaults; Remedies**

*Events of Default.* Any of the following shall be an “Event of Default” under the Non-Relocation Agreement:

(i) The occurrence of a Prohibited Relocation.

(ii) Except with respect to a Prohibited Relocation, which is addressed in paragraph (i) above, the failure of the Partnership to observe or perform in any respect any of the terms, covenants or agreements of the Non-Relocation Agreement, and such failure shall continue for a period of thirty (30) days after notice thereof to the Partnership; provided, however, that if such failure is susceptible of cure but has not been cured within such thirty (30) day cure period, and the Partnership is diligently engaged in activities intended to cure such failure and which can be reasonably expected to result in such cure, then the Partnership shall be afforded a reasonable amount of additional time to cure the failure at issue; and provided further, however, that the City, ESDC or the Issuer may pursue any remedy as summarized below in the paragraph entitled “Injunctive Relief, Etc.” during such thirty (30) day cure period and any extension thereof.

(iii) Any representation or warranty with respect to the validity and enforceability of the Non-Relocation Agreement against the Partnership, made by the Partnership in the Non-Relocation Agreement shall have been false or inaccurate in any material respect when made and, if susceptible of correction, such representation or warranty is not made true and accurate (for purposes of this summarized section only, “cured”) within thirty (30) days after notice thereof to the Partnership; provided, however, that if the inaccuracy of such representation or warranty is susceptible of correction, but has not been cured within such thirty (30) day cure period, and the Partnership is diligently engaged in activities intended to make such representation and warranty true and accurate and which can be reasonably expected to have the intended result, then the Partnership shall be afforded a reasonable amount of additional time to cure the inaccuracy. For purposes of this paragraph, certain representations and warranties set forth in the Non-Relocation Agreement are presumed to be made with respect to the validity and enforceability of the Non-Relocation Agreement.

### *Agreements and Acknowledgments.*

(i) The Partnership acknowledges that its obligations under the Non-Relocation Agreement are unique, are the essence of the bargain and are essential consideration for the Non-Relocation Agreement and also are necessary to protect the business and goodwill of the City, ESDC and the Issuer, as well as the inhabitants of the City and the State of New York. The Partnership also recognizes, agrees, and stipulates that the financial, civic, and social benefits to the City, ESDC and the Issuer, as well as the inhabitants of the City and the State of New York, from the presence of the Team and the playing of its Home Games in the Bronx, New York are great, but that the precise value of those benefits is difficult to quantify due to the number of citizens and businesses that rely upon and benefit from the presence of the Team in the Bronx, New York. Accordingly, the magnitude of the damages that would result from a violation of the Non-Relocation Agreement would be very significant in size but difficult to quantify, including, without limitation, damages to the reputation and finances of the City, the EDSC and the Issuer, and some of such damages would not be compensable by money. Based on the foregoing, the Partnership agrees as follows:

(ii) That the Stadium Project is being constructed and obligations are being incurred to make the Stadium available for Home Games during the Initial Term and that the breach or Threatened Material Breach of the summarized section entitled "Non-Relocation" by the Partnership shall constitute an irreparable harm to the City, ESDC and the Issuer for which monetary damages or other remedies at law

will not adequately remedy, and that the Partnership shall not assert or argue otherwise in any action or proceeding.

(iii) That the strict and specific performance of the Non-Relocation Agreement is a bargained-for expectation of the City, ESDC and the Issuer and that in the event of a material breach or Threatened Material Breach of the Non-Relocation Agreement, the City, ESDC or the Issuer shall be entitled as a form of relief to a judicial order and judgment directing the Partnership to specifically perform its obligations under the Non-Relocation Agreement and enjoining it from failing to perform its obligations under the Non-Relocation Agreement or acting in a manner that would constitute a breach of the Non-Relocation Agreement.

(iv) That, in the event of a breach or a Threatened Material Breach of the Non-Relocation Agreement, the City, ESDC or the Issuer shall, in addition to any of the other applicable rights or remedies (with respect to the event of a breach), be entitled to seek and obtain, and the Partnership consents to the entry of, temporary, preliminary and permanent injunctive and other equitable relief restraining, enjoining and prohibiting any such breach or Threatened Material Breach, and directing the specific performance of the terms, of the Non-Relocation Agreement.

(v) That the rights of the City, ESDC and the Issuer to injunctive relief as summarized in the paragraph entitled "Injunctive Relief, Etc." shall not constitute a "claim" pursuant to Section 101(5) of the United States Bankruptcy Code and shall not be subject to discharge or restraint of any nature in any bankruptcy proceeding involving the Partnership.

(vi) That in any proceeding seeking relief for a breach or Threatened Material Breach of the Non-Relocation Agreement, any requirement for the City, ESDC or the Issuer to post any bond or other security or collateral as a condition of any relief sought or granted is waived, and the Partnership shall not request the same.

(vii) That the Partnership waives any right it may have to object to or to raise any defense to any actual or requested award of the remedy of specific performance in any action brought by or on behalf of the City, ESDC or the Issuer in respect of a Prohibited Relocation or other breach or Threatened Material Breach of the Non-Relocation Agreement except (a) alleged unclean hands of the plaintiff or laches in the commencement of the proceeding and (b) the defense that there has in fact not been a Prohibited Relocation or other breach or Threatened Material Breach of the Non-Relocation Agreement in accordance with the terms of the Non-Relocation Agreement.

(viii) That the Partnership understands and acknowledges that by operation of the foregoing provisions and certain other provisions of the Non-Relocation Agreement, it is knowingly and intentionally relinquishing or limiting certain important rights and privileges to which it otherwise might be entitled, including the right to object to a grant of specific performance and injunctive relief, that it has been advised by counsel regarding the execution of the Non-Relocation Agreement, and that its relinquishment and limitation thereof is voluntary and fully informed.

(ix) That upon the occurrence of (A) any Prohibited Relocation and until the applicable amount of liquidated damages set forth in the Non-Relocation Agreement has been paid as summarized in the paragraph entitled "Liquidated Damages" or (B) any Transfer which does not comply with the paragraph summarized above entitled "Transfer of Franchise" and "Assumption and Agreement to be Bound" or any Covered Pledge which does not comply with the paragraph summarized above entitled "Covered Pledge" (each, a "Prohibited Transfer") and until such time, if any, as either (i) such Prohibited Transfer is rescinded and the parties thereto returned to their pre-Transfer positions or (ii) the documents required by the non-Relocation Agreement and summarized above under the paragraphs entitled

"Transfer of Franchise," "Assumption and Agreement to be Bound," and "Covered Pledge" are delivered in accordance with said sections, the Partnership shall not make any equity distribution to any of its record or beneficial owners or their assigns if, immediately before or after giving effect to such distribution, the Partnership is or would be Insolvent. This paragraph shall not apply to any quarterly or annual, as the case may be, distribution made by the Partnership to its beneficial owners in an amount not in excess of the estimated quarterly or annual, as the case may be, state, local and federal income taxes required to be paid by such beneficial owners on account of their ownership interest in the Partnership for the fiscal year in respect of which the distribution is made; it being understood that all tax estimates covered by this sentence shall be calculated by reference to the beneficial owner of the Partnership having the highest marginal combined individual federal, state and local income tax rate.

(x) That the obligations of the Partnership in the Non-Relocation Agreement are absolute, irrevocable and unconditional and shall not be released, discharged, limited or affected by any right of setoff or counterclaim or any defense whatsoever that the Partnership may have to the performance thereof. Notwithstanding anything in the Non-Relocation Agreement to the contrary, to the extent that the City, ESDC or the Issuer is required to disgorge (as a result of the bankruptcy of the Partnership or for any other reason) any amount paid as liquidated damages under the Non-Relocation Agreement and summarized below in the paragraph entitled "Liquidated Damages", the obligations of the Partnership under the Non-Relocation Agreement with respect to such amount and the other obligations of the Partnership under the Non-Relocation Agreement shall be reinstated until such amount is paid in full.

(xi) That the failure of any party to seek redress for violation of, or to insist upon the strict performance of, any provision of the Non-Relocation Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation. No delay in the exercise of any remedy shall constitute a waiver of that remedy. Subject to the requirements set forth in the Non-Relocation Agreement and summarized below in the paragraph entitled "Liquidated Damages", all remedies may be exercised concurrently, successively, or in any order.

(xii) That the fixed amounts of liquidated damages set forth in the Non-Relocation Agreement are a reasonable measure of, and bear a rational relationship to, the actual damages that might be sustained by the City and/or ESDC if the Partnership were to relocate in violation of the Non-Relocation Agreement.

## **Remedies**

Upon the occurrence of an Event of Default, or any event that would constitute an Event of Default but for the application of the provisions of the Non-Relocation Agreement and summarized above under the heading entitled "MLB Trinity – Conflict with the Non-Relocation Agreement", or, only with respect to paragraph entitled "Injunctive Relief, Etc." immediately below, upon the occurrence of a Threatened Material Breach:

(i) Injunctive Relief, Etc. The City, ESDC and/or the Issuer shall be entitled to seek declaratory relief or an equitable remedy, including but not limited to an injunction or specific performance, without the following: posting a bond or other security; demonstrating inadequacy of money damages as a remedy; or showing irreparable harm. Furthermore, with respect to a Threatened Material Breach of the Non-Relocation Agreement, the City, ESDC and/or the Issuer shall be entitled to seek relief solely as set forth in this paragraph unless and until such Threatened Material Breach becomes an Event of Default under the Non-Relocation Agreement, upon which the City and ESDC shall be entitled to seek such relief as may be provided for in the Non-Relocation Agreement with respect to the relevant Event of Default.

(ii) Liquidated Damages: Solely with respect to an Event of Default occurring as a result of a Prohibited Relocation, if the City, ESDC and/or the Issuer is unable to obtain Injunctive Relief, then the City and/or ESDC, as the case may be, (but not, for the avoidance of doubt, the Issuer) shall have the right to recover from the Partnership, and the Partnership agrees to pay within thirty (30) days following demand therefor, in immediately available funds and in lieu of any and all other damages payable, and other remedies available, under the Non-Relocation Agreement and applicable law, the applicable amount set forth in the Non-Relocation Agreement, to be paid to the City, which amounts are stipulated to be reasonable estimated damages for loss of a bargain in the event of an Event of Default for a Prohibited Relocation, as reasonable liquidated damages and not as a penalty (and because the parties to the Non-Relocation Agreement agree that damages for breach for a Prohibited Relocation would be difficult or impossible to determine, but that they intend to provide for damages, and the amounts set forth in the Non-Relocation Agreement are a reasonable estimate of such damages). Notwithstanding anything in the Non-Relocation Agreement to the contrary, nothing in this paragraph is intended to limit any remedies available to the City and/or ESDC under applicable law to enable them to collect liquidated damages payable under the Non-Relocation Agreement. The First Amendment to Non-Relocation Agreement increases the applicable amounts set forth in the Non-Relocation Agreement as reasonable liquidated damages and extends the term during which such amounts are payable to conform to the extended lease term.

(iii) Cumulative Remedies: Each of the City and ESDC shall be entitled to pursue all legal and equitable remedies, whether or not such remedies are specifically set forth in the Non-Relocation Agreement, including, if the City, ESDC and/or the Issuer is unable to obtain a remedy in accordance with paragraph (i) above, actual damages; provided that actual damages shall not be recoverable for a Prohibited Relocation if the applicable amount of liquidated damages has been paid with respect thereto as summarized in paragraph (ii) immediately above and pursuant to the Non-Relocation Agreement. Except for the right to seek relief under paragraph (ii) immediately above (which shall be available only as described therein) and except that the only remedies which shall be available for a breach of the summarized section entitled "No Adverse Action" occurring at any time shall be those under paragraph (i) above, each right or remedy provided for in the Non-Relocation Agreement shall be cumulative of and shall be in addition to every other right or remedy of the City or ESDC provided for in the Non-Relocation Agreement, and the exercise or the beginning of the exercise by the City or ESDC of any one or more of the rights or remedies provided for in the Non-Relocation Agreement shall not preclude the simultaneous or later exercise (subject to paragraph (vi) above under the heading entitled "Agreements and Acknowledgments" with respect to laches) by the City or ESDC of any or all other rights or remedies provided for in the Non-Relocation Agreement or any Project Agreement or hereafter existing at law or in equity, by statute or otherwise. Notwithstanding the foregoing, with respect to any Threatened Material Breach of the Non-Relocation Agreement, the City or ESDC shall not be entitled to seek relief other than as set forth in paragraph (a) above unless and until it becomes an Event of Default under the Non-Relocation Agreement.

(iv) Interest on Overdue Obligations and Post-Judgment Interest: If any sum due under the Non-Relocation Agreement is not paid by the due date thereof, the party to the Non-Relocation Agreement owing such obligation to the other party shall pay to the other party interest thereon at the Default Rate concurrently with the payment of the amount, such interest to begin to accrue as of the date such amount was due. Any payment of such interest at the Default Rate pursuant to the Non-Relocation Agreement shall not excuse or cure any default under the Non-Relocation Agreement. All payments shall first be applied to the payment of accrued but unpaid interest. The amount of any judgment obtained by one party against the other party in any action or proceeding arising out of a default by such other party under the Non-Relocation Agreement shall bear interest thereafter until paid at the Default Rate.



(v) Attorneys' Fees: The City, ESDC and the Issuer shall be entitled to recover from the Partnership their reasonable out-of-pocket legal fees and expenses incurred in prosecuting or pursuing a claim under the Non-Relocation Agreement in which the City, ESDC or the Issuer prevails (including reasonable out-of-pocket legal fees and expenses incurred in an action to enforce the Non-Relocation Agreement). In addition to the foregoing, the City, ESDC or the Issuer shall be entitled to its reasonable out-of-pocket attorneys' fees and expenses incurred in any post judgment proceedings to collect or enforce any judgment. Notwithstanding the foregoing, to the extent the City, ESDC and the Issuer are entitled to recover from the Partnership any attorneys' fees and expenses, such fees and expenses shall be limited to the reasonable out-of-pocket legal fees and expenses of one firm of legal counsel. This provision is separate and several and shall survive the merger of the Non-Relocation Agreement into any judgment on such instrument.

### **Limitation on Liability**

None of the members, directors, officers, partners, joint venturers, principals, shareholders, employees, agents or servants of the Partnership shall have any liability under the Non-Relocation Agreement (personal or otherwise, other than their respective interests in the assets of the Partnership) or be subject to levy, execution or other enforcement procedure for the satisfaction of any remedies of the City, the Issuer or ESDC available under the Non-Relocation Agreement. The provisions summarized in this paragraph shall govern every other provision of the Non-Relocation Agreement. The absence of explicit reference to Limitation on Liability in any particular provision of the Non-Relocation Agreement shall not be construed to diminish the application of such section to such provision. Limitation on Liability shall survive the termination of the Non-Relocation Agreement. Nothing in this summarized section, however, is intended to be a waiver of the provisions of Section 1782.37 of the Ohio Revised Code, as the same may be amended or replaced from time to time, or any similar provisions applicable to any Transferee under the laws governing its formation and operation, which refer to distributions made in violation of such provisions or of provisions referenced therein which relate to distributions or dividends.

[Rest of page intentionally left blank]

## APPENDIX H

### Summary of the Ground Lease

*The following is a brief summary of certain provisions of the Ground Lease Agreement. This summary does not purport to be comprehensive or complete, and reference is made to the Ground Lease Agreement for full and complete statements of such and all provisions. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in APPENDIX A - "DEFINITIONS OF CERTAIN TERMS".*

#### **Demise of Premises**

The City leased the Land to the Agency, including all improvements existing thereon as of the date of the Ground Lease (collectively, the "Premises"), in their "as is" condition, for the uses permitted in the Lease Agreement, the Stadium Sublease Agreement and the Non-Relocation Agreement, subject to the Title Exceptions. The Premises do not include certain space within the Stadium structure more particularly described in Exhibit A of the First Amendment to Lease Agreement, that is reserved to the City, for use and occupancy by the New York City Police Department for police operations (the "Police Substation"). The City reserved easements to construct, equip, support, operate, maintain, repair, restore, rebuild and replace the Police Substation and for ingress and egress to and from the Police Substation and agreed that its use of said easements will not unreasonably interfere with the use and enjoyment of the Stadium for its intended purpose. The City will build out and equip the Police Substation, at its expense, except as otherwise described in the Lease Agreement and except for certain work to be performed by the Company, as agent of the Agency, described in the Lease Agreement. Title to the Stadium (except for the Police Substation) constructed and/or installed on the Land by the Company on behalf of the Agency pursuant to the Lease Agreement vests in the Agency as and when the same is constructed and/or installed and remains vested in the Agency for the entire Ground Lease Term (as hereinafter defined).

#### **Ground Lease Term**

The term of the Ground Lease commenced on August 22, 2006 and will expire on August 21, 2105 (the "Ground Lease Term"), unless sooner terminated in accordance with the provisions thereof.

#### **Rental**

The rental payable by the Agency is the sum of (a) a one time payment of \$10.00 and (b) all casualty insurance proceeds and condemnation awards not required to be applied pursuant to the terms of the Lease Agreement to (i) the restoration of the Stadium (including any amount payable to the Company on account of an elective restoration), (ii) the demolition of the Stadium and the clearing and leveling of the Stadium site, (iii) the redemption of the PILOT Bonds and the Rental Bonds (collectively, the "Bonds"), (iv) payment to a Recognized Mortgagee or (v) payment to the Company for the value of its remaining leasehold interest, as provided in the Lease Agreement, which proceeds and awards described in clause (b) (exclusive of sums described in subclauses (i) through (v)), have been assigned by the Agency to the City.

#### **Construction of Stadium; Bond Proceeds**

The Agency instructed the Company, as the agent of the Agency, to design, develop, acquire, construct and equip the Stadium in accordance with the terms of the Lease Agreement for use by the Partnership in accordance with the terms of the Stadium Sublease and the Non-Relocation Agreement and to observe and perform all of the other terms, provisions, covenants and conditions of the Company under

the Lease Agreement and the PILOT Agreement. The proceeds of the PILOT Bonds and the Rental Bonds will be disbursed to the Company, as the agent of the Agency and applied to pay certain costs and items of expense paid or incurred by or on behalf of the Agency in connection with the design, development, acquisition, construction and equipping of the Stadium.

## **Taxes**

No Taxes or general assessments may be levied against the Premises during the Ground Lease Term. "Taxes" are defined as the real property taxes assessed and levied against the Premises or any part thereof (or, if the Premises or any part thereof or the owner or occupant thereof is exempt from such real property taxes, then the real property taxes assessed and which would be levied if not for such exemption), pursuant to the provisions of Chapter 58 of the Charter of New York City and Title 11, Chapter 2 of the Administrative Code of New York City, as the same may be amended, or any statute or ordinance in lieu thereof.

During any part of the Ground Lease Term that the Agency or another entity which has a statutory exemption from Taxes is the holder of the tenant's interest under the Ground Lease, it will avail itself of its statutory exemption from Taxes and general assessments. If, notwithstanding the statutory exemption of the Agency or such other entity from Taxes during the Ground Lease Term, Taxes or general assessments are nevertheless levied against the Premises, the City must cancel or discharge or otherwise satisfy and cause to be discharged of record such Taxes or general assessments.

If Taxes or general assessments are levied against the Premises at any time during the Ground Lease Term when neither the Agency nor another entity which has a statutory exemption from Taxes is the holder of the tenant's interest under the Ground Lease, the City will cancel or discharge or otherwise satisfy and cause to be discharged of record such Taxes and general assessments.

## **Appointment of Lease Administrator**

The Agency has appointed the New York City Department of Parks and Recreation as lease administrator as described in the section of this Official Statement captioned "THE STADIUM - Real Estate Leases - *Ground Lease*."

## **City Indemnification of Agency and Agency Indemnitees**

To the fullest extent permitted by law, the City will protect, defend, indemnify and hold harmless the Agency and its officers, members, employees, directors, agents (excluding for this purpose the Company and its members, managers, officers, employees, agents and affiliates and persons under the control or supervision of the Agency (collectively, the "Agency Indemnitees") from and against any and all Claims and Liabilities, of every kind and nature and however caused, that may be imposed upon or incurred by or asserted against the Agency and/or any Agency Indemnitee (except to the extent to which such Claims or Liabilities are caused by or arise as a result of the gross negligence or willful misconduct of the Agency or any Agency Indemnitee) arising upon, about or in any way connected with the Land the Stadium or any of the transactions with respect thereto.

## **City Release of Agency and Agency Indemnitees**

The City has released the Agency and each Agency Indemnitee from, and has agreed that neither the Agency nor any Agency Indemnitee will be liable to the City for, any Claims or Liabilities arising from or incurred as a result of action taken or not taken by the Agency or such Agency Indemnitee with respect to any of the matters summarized above under the caption "City Indemnification of Agency and

Agency Indemnitees” or at the direction of the City or the Lease Administrator with respect to any of such matters. The Agency must promptly notify (and cause each Agency Indemnitee to promptly notify) the City in writing of any Claims made or Liabilities asserted against the Agency and/or such Agency Indemnitee for which indemnity may be sought against the City pursuant to any of the matters summarized above under the caption “City Indemnification of Agency and Agency Indemnitees”, such notice to be given in sufficient time to allow the City to defend or participate in such claim or cause of action, but the failure to give such notice in sufficient time does not constitute a defense under the Ground Lease nor in any way impair the obligations of the City summarized above under the caption “City Indemnification of Agency and Agency Indemnitees”.

### **City to Resist, Defend or Satisfy Claims**

If a claim, cause of action or proceeding is made or brought against the Agency and/or any Agency Indemnitee by reason of any event to which reference is made above under the caption “City Indemnification of Agency and Agency Indemnitees”, then, upon demand made by the Agency and/or such Agency Indemnitee, the City will either resist, defend or satisfy such claim, cause of action or proceeding in the name of the Agency and/or such Agency Indemnitee.

### **Certain Covenants of Agency To Be Performed by Lease Administrator**

Any and all of the covenants and obligations of the Agency as the landlord under the Lease Agreement will be satisfied and performed by the Lease Administrator on behalf of the Agency, except with respect to (a) the issuance of the Bonds, the exemption of the Premises from Taxes, the exemption of the PILOT Mortgages and the Rental Mortgage from mortgage recording taxes and the exemption of certain construction materials and supplies and certain machinery, equipment and other items of personal property purchased or leased for use in connection with the Stadium from sales and compensating use taxes, all of which is the sole obligation of the Agency, and (b) the design, development, acquisition, construction and equipping of the Stadium, which will be the sole obligation of the Company, as the agent of the Agency, and any and all of the rights of the Agency under the Lease Agreement may be exercised by the Lease Administrator on behalf of the Agency.

### **Permits, Consents, Certificates and Approvals**

The City will cooperate with the Agency, the Lease Administrator and the Company in obtaining all permits, consents, certificates and approvals required in connection with the planning, design, development, acquisition, construction, equipping, completion and/or occupancy of the Stadium and in operating and maintaining the Stadium in accordance with the provisions of the Lease Agreement and the Stadium Sublease and, in its capacity as the fee owner of the Land, sign any application made by the Agency, the Lease Administrator and/or the Company required to obtain any such permits, consents, certificates and/or approvals. Within thirty (30) days after the City’s demand therefor, the Agency will pay or reimburse (or cause the Company to pay and reimburse) the City for any reasonable out-of-pocket costs or expenses paid or incurred by the City in cooperating with the Agency, the Lease Administrator and/or the Company in obtaining any such permits, consents, certificates and/or approvals.

### **City Indemnification of Company, Partnership and Company Indemnitees**

The City may not do any act or thing, and will use diligent efforts not to permit any act or thing to be done upon the Police Substation, or any portion thereof, which could subject the Company or the Partnership to any liability or responsibility for injury or damage to Persons or property, or to any liability by reason of any violation of Requirements, and agrees to exercise such reasonable control over the Police Substation as to the foregoing matters so as to protect the Company and the Partnership against any

such liability. To the extent permitted by law, the City will protect, defend, indemnify and hold harmless the Company and the Partnership and their respective members, managers, partners, officers, directors, employees, agents and servants (collectively, the “Company Indemnitees”) from and against any and all Claims made or Liabilities asserted against the Company, the Partnership and/or any Company Indemnitee (except to the extent to which such Claims or Liabilities are caused by or arise as a result of the negligence or willful misconduct of the Company, the Partnership and/or such Company Indemnitee) arising by reason of or connected with any of the following:

(a) The planning, design, construction, equipping, installation, completion, repair, maintenance or replacement of the Police Substation;

(b) The control or use, non-use, possession, occupation, alteration, condition, operation, maintenance, repair, replacement, improvement or management of the Police Substation;

(c) Acts or omissions of the City or its employees, contractors, subcontractors, agents or instrumentalities, including, without limitation, the Lease Administrator;

(d) Any special assessment or other Imposition which the Company may be required to pay as a matter of law but is not obligated to pay under the Lease Agreement on account of such special assignment or other Imposition being invidious and discriminatory against the Company or so narrowly drawn as to apply only to professional sports stadiums situated on public property of the nature described in the Ground Lease;

(e) The failure of the City to perform or comply with any of its other obligations, covenants or agreements under the Ground Lease with respect to the Police Substation;

(f) Any accident, injury or damage to any Person or property occurring in, on, or about the Police Substation or any part thereof, and arising in connection with the use, occupancy or operation of the Police Substation; and

(g) The presence, storage, transportation, disposal, release or threatened release of any Hazardous Materials over, under, in, on, from or affecting the Police Substation or any Persons, real property, personal property, or natural substances thereon or affected thereby due to any act or omission of the City or its employees, contractors, subcontractors, agents or instrumentalities, including, without limitation, the Lease Administrator.

### **City to Resist, Defend or Satisfy Claims**

If any claim, cause of action or proceeding is made or brought against the Company, the Partnership and/or any Company Indemnitee by reason of any event to which reference is made in the caption “City Indemnification of Company, Partnership and Company Indemnitees”, then, upon demand the City will either resist, defend or satisfy such claim, cause of action or proceeding in the name of the Company, the Partnership and/or such Company Indemnitee.

### **Mortgages**

The Agency’s interest in the Ground Lease, the Company’s interest in the Lease Agreement and the Partnership’s interest in the Stadium Sublease will not be subject or subordinate to (a) any Mortgage suffered to exist by the City now or hereafter affecting the City’s fee interest in the Premises, or (b) any other liens or encumbrances affecting the City’s fee interest in the Premises after the execution of the Ground Lease.

## **Mortgagee's Rights**

With the exception of the rights granted to Recognized Mortgagees (as defined in the Lease Agreement) pursuant to the express provisions of the Ground Lease, the execution and delivery of a Mortgage or a Recognized Mortgage will not give a Mortgagee or a Recognized Mortgagee any greater rights against the City than those granted to the Agency under the Ground Lease.

## **Notice and Right to Cure Ground Lease Defaults**

The City will give each Recognized Mortgagee a copy of each notice of a default by the Agency under the Ground Lease (a "Ground Lease Default") at the same time as it gives such notice to the Agency, and no such notice of Default will be deemed effective for any purpose under the Ground Lease unless and until a copy thereof is given to each Recognized Mortgagee.

Subject to the provisions of the summarized section entitled "Acceptance of Recognized Mortgagee's Performance", each Recognized Mortgagee has a period of (i) thirty (30) Business Days more, in the case of a Ground Lease Default in the payment of rent, and (ii) sixty (60) Business Days more, in the case of any other Ground Lease Default, than is given to the Agency under the provisions of the Ground Lease to remedy the Ground Lease Default or to cause it to be remedied (or commenced to remedy and diligently pursuing); provided that such Recognized Mortgagee delivers to the City, within ten (10) Business Days after the expiration of the time given to the Agency by the Ground Lease to remedy the event or condition which would otherwise constitute a Ground Lease Default, a written notice that such Recognized Mortgagee intends to take the action described in clauses (i) and/or (ii) above, as applicable. After the delivery of such notice, the Recognized Mortgagee may notify the City, in writing, that it has relinquished possession of the Land or that it will not institute foreclosure proceedings or, if such proceedings have been commenced, that it has discontinued such proceedings, and, in such event, the liability of such Recognized Mortgagee will be limited to its interest in the Land, and it will have no further liability to the City after its delivery of such notice to the City. After receipt of the notice referred to in the preceding sentence, the City may take any action it deems appropriate by reason of such Ground Lease Default, subject to the provisions of the Ground Lease.

## **Acceptance of Recognized Mortgagee's Performance**

Subject to the provisions of the summarized above section entitled "Notice and Right to Cure Ground Lease Defaults", the City will accept performance by a Recognized Mortgagee of any covenant, condition or agreement on the Agency's part to be performed under the Ground Lease with the same force and effect as though performed by the Agency.

No Ground Lease Default (other than a Ground Lease Default arising from the nonpayment of rent for which the cure period is set forth in clause (i) of the summarized section entitled "Notice and Right to Cure Ground Lease Defaults") will be deemed to have occurred if, within the period set forth in clause (ii) of said summarized section a Recognized Mortgagee has:

(i) In the case of a Ground Lease Default that is curable by the Recognized Mortgagee without possession of the Land, commenced in good faith to cure such Ground Lease Default within the applicable cure period set forth in the summarized section entitled "Notice and Right to Cure Ground Lease Defaults" and is prosecuting such cure to completion with reasonable diligence and continuity, subject to Unavoidable Delays; or

(ii) In the case of a Ground Lease Default where possession of the Land is required in order to cure the Ground Lease Default, or is a Ground Lease Default that is otherwise not susceptible of being cured by a Recognized Mortgagee, if such Recognized Mortgagee proceeds expeditiously to institute foreclosure proceedings and continuously prosecutes such proceedings with reasonable diligence and continuity, subject to Unavoidable Delays, to obtain possession of the Land and, upon obtaining possession of the Land, promptly commences to cure the Ground Lease Default (other than a Ground Lease Default which is not susceptible of being cured by such Recognized Mortgagee) and prosecutes such cure to completion with reasonable diligence and continuity, subject to Unavoidable Delays.

So long as any Recognized Mortgage is in existence, unless all Recognized Mortgagees otherwise consent thereto in writing, the fee interest of the City in and to the Land and the leasehold estate of the Agency in and to the Land created by the Ground Lease will not merge, but remain separate and distinct, notwithstanding the acquisition of both the fee interest and the leasehold estate by the City, the Agency, any Recognized Mortgagee or any other party.

### **Recognition by City of Recognized Mortgage Most Senior in Lien**

If more than one Recognized Mortgagee has exercised any of the rights afforded by the summarized section entitled “Notice and Right to Cure Ground Lease Defaults”, only that Recognized Mortgagee, to the exclusion of all other Recognized Mortgagees, whose Recognized Mortgage is most senior in lien will be recognized by the City as having exercised such right, unless such Recognized Mortgagee has designated a Recognized Mortgagee whose Mortgage is junior in lien to exercise such right by notice to the City.

### **Fee Mortgages**

The City may freely mortgage or otherwise create a security interest or other lien or encumbrance on its fee interest in the Land (each, a “Fee Mortgage”); provided that such Fee Mortgage is unconditionally subject and subordinate in all respects to the Ground Lease, the Lease Agreement and, the Stadium Sublease and any modification, amendment, renewal or extension of the Ground Lease or thereof.

### **Right of Company and Partnership to Cure**

The City will give the Company and the Partnership a copy of each notice of a Ground Lease Default at the same time as it gives such notice to the Agency, and no such notice of Ground Lease Default will be deemed effective for purposes of the Ground Lease until such copy has been so given to the Company and the Partnership.

The Company and the Partnership will have a period of (i) fifteen (15) Business Days more, in the case of a Ground Lease Default in the payment of rent, and (ii) thirty (30) Business Days more, in the case of any other Ground Lease Default, than is given to the Agency under the provisions of the Ground Lease to remedy the Ground Lease Default or to cause it to be remedied (or commenced to remedy and diligently pursuing); provided that the Company and/or the Partnership delivers to the City, within ten (10) Business Days after the expiration of the time given to the Agency under the Ground Lease to remedy the event or condition which would otherwise constitute a Ground Lease Default, notice that the Company and/or the Partnership intends to take the action described in clauses (i) and/or (ii) above, as applicable. If the Company or the Partnership fails to give such notice within such ten (10) Business Days period, the City will have the unrestricted right to take any action it deems appropriate by reason of such Ground Lease Default, subject to the provisions of the Ground Lease. No Ground Lease Default (other than a Ground Lease Default arising from the nonpayment of rent), will be deemed to have

occurred if, within the period set forth in clause (ii) above, the Company and/or the Partnership has commenced in good faith to cure such Ground Lease Default within the periods provided in this paragraph and is prosecuting such cure to completion with reasonable diligence and continuity, subject to Unavoidable Delays.

The City will accept performance by the Company and/or the Partnership of any covenant, condition or agreement on the Agency's part to be performed under the Ground Lease with the same force and effect as though performed by the Agency.

### **City's Operation of Police Substation**

The City is responsible for operating and maintaining the Police Substation in a safe, clean and reputable manner and in good repair, and in compliance with the Ground Lease and with all Requirements, except to the extent expressly set forth in Ground Lease.

### **No Obligation**

The Agency, the Company and the Partnership are not obligated to insure the Police Substation or any activities therein or to make or to pay for any Capital Improvements, capital repairs, replacements or any other improvements to the Police Substation, each of which is the obligation of the City, except to the extent expressly set forth in the Ground Lease and/or the Lease Agreement.

### **Agency's Right to Terminate; Effect of Casualty on Ground Lease**

Unless the Company elects to terminate the Lease Agreement pursuant to its terms, the Ground Lease will neither terminate nor be affected in any manner by reason of damage to, or destruction of the Stadium. The City's and the Agency's obligations under the Ground Lease will continue as though the Stadium had not been damaged or destroyed. All insurance proceeds with respect to such damage or destruction will be applied in the manner set forth in the Lease Agreement, as more particularly described in the Section of this Official Statement captioned "THE STADIUM - Real Estate Leases - *Lease Agreement*".

If the Stadium is damaged or destroyed by fire or other casualty and if, by reason of such damage or destruction, the Company has the right to terminate the Lease Agreement pursuant to its terms and elects to do so, the Agency will have the right to terminate the Ground Lease by notifying the City within thirty (30) days after receipt by the Agency of the notice of termination from the Company, in which case all insurance proceeds will be applied in accordance with the Lease Agreement (as more particularly described in the Section of this Official Statement captioned "THE STADIUM - Real Estate Leases - *Lease Agreement*" and the Agency will have no obligation to restore the Stadium pursuant to the Ground Lease.

### **Substantial Taking**

If a Substantial Taking (other than a Temporary Taking) occurs, the Ground Lease will terminate on the Date of Taking, and rent paid and payable by Agency under the Ground Lease will be apportioned to the Date of Taking. The award from such Taking will be applied in the manner set forth in the Lease Agreement as more particularly described in the Section of this Official Statement captioned "THE STADIUM - Real Estate Leases - *Lease Agreement*".



### **Partial Taking**

If a Taking less than a Substantial Taking (other than a Temporary Taking) occurs, the Ground Lease will continue without diminution of any of the City's or the Agency's obligations except as described in the Section of this Official Statement captioned "THE STADIUM - Real Estate Leases - Lease Agreement".

The award with respect to such Taking will be applied in the manner set forth therein.

### **Temporary Taking**

If a Temporary Taking occurs, the Ground Lease will continue and the Agency will assign to the Company any award it receives in respect of such Temporary Taking pursuant to the Lease Agreement.

### **Conflicts**

In the event of a conflict between the terms of the Lease Agreement and the terms of the Ground Lease regarding the use and application or disposition of casualty insurance proceeds and/or condemnation awards, the terms of the Lease Agreement will control.

### **Assignment of Insurance Proceeds and Taking Awards**

To the extent that property insurance proceeds and/or Taking awards are payable to the Agency under the terms of the Ground Lease or the Lease Agreement and not required to be applied to (a) the Restoration of the Stadium, (b) the demolition of the Stadium and the clearing and leveling of the Site, (c) the redemption of the Bonds, (d) payment to a Recognized Mortgagee or (e) payment to the Company for the value of the Company's remaining leasehold interest in the Premises, the Agency assigns such proceeds and the right to collect the same to the City.

### **Assignment of Liquidated Damages**

To the extent that liquidated damages are payable to the City under the terms of the Non-Relocation Agreement, the City assigns such damages and the right to collect the same to the Agency for use by the Agency for any purpose relating to the Stadium, including, payment of the Bonds.

### **Modifications, Amendments or Termination of Ground Lease**

The Ground Lease may not be modified, amended or terminated in whole or in part, and no oral or executory agreement will be effective to modify, amend or terminate the Ground Lease in whole or in part or any obligations thereunder, unless such agreement is set forth in a written instrument executed by the City and the Agency. At least fifteen (15) days' prior notice of any proposed modification or amendment of the Ground Lease must be given to the Company and the Partnership. The City and the Agency will not modify or amend the Ground Lease in any manner that materially and adversely affect the interests of the Company or the Partnership in the Stadium. The City and the Agency will not terminate the Ground Lease while any of the PILOT Bonds or the Rental Bonds remain outstanding, except as expressly permitted by the Ground Lease.

### **Company and Partnership Not Liable**

Neither the Company nor the Partnership will be liable for any injury or damage to the City or to any other Person happening on, in or about the Police Substation or its appurtenances, nor for any injury

or damage to the Stadium or to any property belonging to the City or to any other Person that may be caused by fire, by breakage, or by the use, misuse or abuse of any portion of the Police Substation or that might arise from any other cause, unless, and only to the extent by which, any such injury or damage is determined to be caused by the negligence or willful misconduct of the Company, the Partnership or any of their respective directors, officials, employees, agents or contractors. In addition, neither the Company nor the Partnership will be liable to the City or to any other Person for any failure of water supply, gas or electric current, nor for any injury or damage to any property of the City or to any other Person or to the Police Substation caused by or resulting from gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storm or disturbance or by or from water, rain or snow which may leak or flow from premises outside of the Stadium such as the street, sewer, gas mains or subsurface area of the Stadium or from any part of the Police Substation, or by or from leakage of gasoline or oil from pipes, appliances, sewer or plumbing works within the Police Substation (except that the Company, as agent of the Agency, will install, construct, keep and maintain the walls, pipes, ducts, conduit, supports, foundation and other appurtenances above, below and around the Police Substation in good and proper repair and condition and will not be released from liability under the Ground Lease for failure to perform same), nor from interference with light or other incorporeal hereditaments by any Person, or caused by any public or quasi-public work, unless, and only to the extent caused by, the negligence or willful misconduct of the Company, the Partnership or any of their respective directors, officials, employees, agents or contractors.

#### **No Recourse Against City**

All covenants, stipulations, promises, agreements and obligations of the City, as landlord under the Ground Lease, are deemed to be the covenants, stipulations, promises, agreements and obligations of the City acting in its proprietary, and not in its governmental, capacity and not of any official, officer, employee or agent of the City in his or her individual capacity, and no recourse will be had for the payment of any amounts under the Ground Lease against any official, officer, employee, agent or instrumentality of the City, including, without limitation, the Lease Administrator. Nothing in the Ground Lease will render the City liable for the payment of the Bonds or any other bonds or notes issued by the Agency in connection with the Stadium or any other improvements in connection with the Project, and nothing in the Ground Lease obligates the City to indemnify the Agency against any such payment or claim for payment.

#### **No Recourse Against Agency**

All covenants, stipulations, promises, agreements and obligations of the Agency, as the tenant under the Ground Lease, are be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency and not of any officer, member, employee, agent (excluding for this purpose the Company) or director of the Agency in his or her individual capacity, and no recourse may be had for the payment of any amounts under the Ground Lease against any officer, member, employee, agent (excluding for this purpose the Company) or director of the Agency.

#### **Successors and Assigns**

Except as may be expressly set forth in the Ground Lease, all references to a party in the Ground Lease and this Appendix include such party's successors and permitted assigns.

[THIS PAGE INTENTIONALLY LEFT BLANK]

## APPENDIX I

### Summary of the Stadium Sublease Agreement

*The following is a brief summary of certain provisions of the Stadium Sublease Agreement. This summary does not purport to be comprehensive or complete, and reference is made to the Stadium Sublease Agreement for full and complete statements of such and all provisions. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in APPENDIX A - "DEFINITIONS OF CERTAIN TERMS".*

**None of the payments made under the Stadium Sublease Agreement will be pledged to or be available for the payment of debt service on the Series 2020 PILOT Bonds. The Series 2020 PILOT Bonds are payable solely from PILOT Revenues derived from PILOTs made by Sublandlord pursuant to the Lease Agreement and certain funds and accounts held under the Rental Indenture. Neither the holders of the Series 2020 PILOT Bonds, nor the Bond Trustee will have any right to enforce the provisions or remedies under the Stadium Sublease Agreement.**

#### **Demised Premises and Term of the Sublease**

The Company, as Sublandlord, has subleased to Subtenant, as Subtenant, on the terms and conditions set forth in the Stadium Sublease Agreement, the Premises, subject to all encumbrances, exceptions, reservations, conditions of title and other matters affecting Sublandlord's interest in the Premises and all Title Matters, for a term which commenced on August 22, 2006 and expiring on August 21, 2049 (or if such date occurs during the Baseball Season, the eighty-ninth (89th) day following the end of the Baseball Season in which such date occurs) unless extended or sooner terminated in accordance with the express provisions of the Stadium Sublease Agreement (the "Term of the Sublease"). Notwithstanding the foregoing, if the Term of the Lease Agreement is extended in accordance with its terms, the Term of the Sublease will be automatically extended so as to expire on the day prior to the expiration of the Lease Agreement, subject to any rights of sooner termination expressly contained in the Stadium Sublease Agreement. In confirmation of the foregoing, Subtenant shall, within five (5) Business Days after demand from time to time, execute and deliver to Sublandlord any instrument contemplated by Sections 2.01(c) and 2.02 of the Lease Agreement.

#### **Rent**

##### Annual Rent

Annual Rent will be payable commencing at the beginning of the first Lease Year and will be payable each succeeding Lease Year during the Term of the Sublease. Subtenant's obligations to pay Annual Rent shall be absolutely net to Sublandlord (except as may be expressly set forth in the Stadium Sublease Agreement) so that the Stadium Sublease Agreement shall yield, net, to Sublandlord, Annual Rent in each year during the Term of the Sublease and that Subtenant shall pay all costs, expenses and charges of every kind and nature relating to the Premises (except as expressly set forth in the Stadium Sublease Agreement) and the repair and maintenance thereof which may arise or become due or payable during or after (but attributable to a period falling within) the Term of the Sublease except that Subtenant shall not be required to pay (a) any principal, interest or other sum due on any Recognized Mortgage or other indebtedness secured by a mortgage now or hereafter in effect, (b) any mortgage tax imposed on the Agency, (c) any amounts necessary to discharge any lien or encumbrance on the interest of Sublandlord in the Land created by, through or under Sublandlord, (d) any transfer or similar taxes on transfers of interests in Sublandlord or Sublandlord's interest in the Premises and (e) any amounts expressly stated to

be the obligation of Sublandlord under the Stadium Sublease Agreement or otherwise described in clauses (1) through (7) of the summarized section under the caption “Excluded Expenditures”.

The annual rent (“Annual Rent”) payable by Subtenant to Sublandlord for each Lease Year during the Term of the Sublease is described in the portion of this Official Statement captioned “THE STADIUM — Real Estate Leases — *Stadium Sublease Agreement*”.

#### Payment of Annual Rent

Pursuant to the terms and conditions of the Assignment of Ticket Sale and Suite License Proceeds, Subtenant has assigned to Sublandlord all Ticket Sale and Suite License Proceeds during the Term of the Sublease. Sublandlord shall retain Ticket Sale and Suite License Proceeds in payment of Annual Rent due for the then current Lease Year. Within five (5) Business Days after the last day of each calendar month (or more frequently if Sublandlord elects), Sublandlord shall certify to Subtenant in writing the amount that Sublandlord has retained in respect of Ticket Sale and Suite License Proceeds for the applicable Lease Year and the Annual Rent payable for such Lease Year. After receiving an amount of Ticket Sale and Suite License Proceeds equal to Annual Rent for a particular Lease Year, Sublandlord shall, on a monthly basis (or more frequently if Sublandlord shall elect), pay to Subtenant any Ticket and Suite Sale Proceeds received by Sublandlord during such Lease Year in excess of Annual Rent for such Lease Year, each payment to be made simultaneously with the delivery of the statement described in the immediately preceding sentence.

If, at any time, there shall be an adjustment to the Annual Rent for the then current Lease Year (i) and if to the extent such adjustment results in a net decrease in Annual Rent, Sublandlord shall pay to Subtenant the resulting excess, if any, of Ticket Sale and Suite License Proceeds over Annual Rent and (ii) if and to the extent such adjustment results in a net increase in Annual Rent for such Lease Year and such amount has not otherwise been paid by Subtenant to Sublandlord, Sublandlord shall retain Ticket Sale and Suite License Proceeds equal to the applicable net increase in Annual Rent.

#### **Use and Occupancy**

From and after the date that Substantial Completion has occurred, Subtenant shall have the exclusive right, year-round, throughout the Term of the Sublease to use and occupy the Premises for all purposes permitted by the Lease Agreement.

#### Express Rights of Subtenant

Without limiting the provisions summarized in the immediately preceding paragraph and, in each case, subject to the applicable provisions of the Lease Agreement, Subtenant shall have the exclusive right, exercisable in its sole and absolute discretion, to all of the following:

(a) to charge, collect and retain (i) admission, usage and license fees for all Stadium Events and to determine the prices and terms of tickets to all Stadium Events and activities, (ii) all revenues derived from all items sold at Concession Facilities at the Premises and to determine the prices therefor, (iii) rent and fees from the sub-subtenants, licensees and other users or occupants of the Premises and the amount of such rent and fees therefor; and (iv) all other Stadium Revenues;

(b) to provide and operate, or cause or permit other Persons to provide or operate, Concession Facilities at the Premises;

(c) to all Naming Rights and to grant such Naming Rights to third parties;

(d) to display Advertising Signage anywhere and everywhere on the interior of the Stadium and on the exterior facade of the Stadium (subject to the provisions of the Lease Agreement) and to grant rights to Advertising Signage to third parties;

(e) to enter into Sub-Subleases, licenses and other use and occupancy agreements with respect to the Premises, including without limitation, Concession Facilities and Sub-Subleases of restaurant space; and

(f) to transmit and to license or authorize others to transmit by any means of communication, including but not limited to radio and television and internet, all Stadium Events and any information or data relating thereto.

## **Lease Agreement**

### Covenant of Subtenant

Subtenant shall not do nor permit anything to be done which would violate or breach the Lease Agreement or cause the Lease Agreement to be terminated or forfeited by reason of any right of termination or forfeiture reserved or vested in the Agency under the Lease Agreement.

### Covenants of Sublandlord

Sublandlord shall not voluntarily cancel or surrender the Lease Agreement or voluntarily modify the Lease Agreement so as to deprive Subtenant of any material rights under the Stadium Sublease Agreement, without the prior written consent of Subtenant.

Sublandlord shall apply Annual Rent payments received from Subtenant to Sublandlord's obligations under the Lease Agreement and the PILOT Agreement and shall otherwise fully comply with the terms and conditions of such agreements.

Sublandlord shall reasonably endeavor to minimize Operating Expenses incurred in connection with the operation and maintenance of the Stadium.

## **Operation and Maintenance**

Sublandlord shall operate and maintain the Premises, or shall cause the Premises to be operated and maintained, as a high quality (subject to ordinary course wear and tear and obsolescence) professional sports facility in a safe, clean and reputable manner in compliance with the Lease Agreement, all Requirements and, when applicable, with all MLB Documents and MLB Rules and Regulations.

### Additional Maintenance Obligations

In addition to, and to the extent not inconsistent with, the obligations as summarized in the immediately preceding paragraph, Sublandlord shall perform all operational and maintenance obligations that Subtenant requires Sublandlord to perform in connection with Stadium Events or otherwise in connection with Subtenant's use and occupancy of the Premises in accordance with the Annual Budget. It is understood and agreed that Sublandlord's obligations with respect to Capital Improvements shall be as summarized below under the caption "Capital Improvements".

## Payment of Operating Expenses

All Operating Expenses and any other costs and expenses incurred by Sublandlord in connection with the performance of Sublandlord's obligations summarized under the heading "Operation and Maintenance" shall be paid for from the Annual Budget Amount and from Sublandlord's O&M Amount for each Lease Year.

## **Capital Improvements**

### Capital Improvements

(a) After Substantial Completion, all Capital Improvements performed by Sublandlord shall be at the direction of, or approved by, Subtenant as summarized in this section.

Prior to the performance of any Capital Improvements required to be made by Sublandlord pursuant to the Lease Agreement, Sublandlord shall submit to Subtenant for its review and approval the plans, specifications and other information pertaining to such Capital Improvements specified in the Stadium Sublease Agreement. If Subtenant reasonably objects to any of the documents required to be delivered, Subtenant shall advise Sublandlord of such objection within fifteen (15) days after Subtenant's receipt thereof (and deliver to Sublandlord a reasonably detailed description of such objection). Sublandlord shall promptly revise the relevant documents and resubmit the same to Subtenant. Subtenant shall advise Sublandlord of any objections to such revised documents within fifteen (15) days after receipt thereof and Sublandlord shall promptly revise the same in accordance with the process described in this paragraph until Subtenant approves all applicable documents. If Subtenant shall not deliver written notice of its objection to the documents relating to such Capital Improvements, or any revision thereto, as the case may be, within fifteen (15) days of its receipt thereof, Subtenant shall be deemed to have approved such Capital Improvements and the Capital Expenditures to be incurred in connection therewith; provided, however, that Sublandlord's delivery of such Capital Improvement documentation to Subtenant includes a notice bearing the legend specified in Section 7.02(b) of the Stadium Sublease Agreement. All Capital Improvement documents shall be approved by (or deemed to be approved by) Subtenant prior to Sublandlord's submission of the same to the Agency in accordance with the Lease Agreement. If, upon submission to the Agency of any Capital Improvements approved by Subtenant, the Agency requires any material changes to Capital Improvement documents, Sublandlord shall re-submit such documents to Subtenant for its review and approval in the manner described above.

(b) If, in addition to the Capital Improvements required to be performed by Sublandlord pursuant to the Lease Agreement, Subtenant requires certain Capital Improvements to be made in connection with Subtenant's use of the Premises (including, without limitation, all Capital Improvements required to be made in connection with any Sub-Sublease, license or other occupancy or use agreement entered into by Subtenant or by Major League Baseball), Sublandlord shall cause the performance of such Capital Improvements, subject to the following conditions: (i) Sublandlord submits all documents required to be submitted to the Agency pursuant to the Lease Agreement in connection with such Capital Improvements and the Agency's consent to such documents is obtained (to the extent required by the Lease Agreement); (ii) such Capital Improvements comply with all applicable provisions of the Stadium Sublease Agreement, the Lease Agreement and all applicable Requirements; and (iii) the applicable Approved Annual Budget(s) includes amounts sufficient to complete such Capital Improvements.

If Sublandlord reasonably objects to any of the documents described above, Sublandlord shall advise Subtenant of such objection within fifteen (15) days after Sublandlord's receipt thereof (and deliver to Subtenant a reasonably detailed description of such objection). Subtenant shall promptly revise the relevant documents and resubmit the same to Sublandlord. Sublandlord shall advise Subtenant of any

objections to such revised documents within fifteen (15) days after receipt thereof and Subtenant shall promptly revise the same in accordance with the process described in this paragraph until Sublandlord approves all applicable documents. If Sublandlord shall not deliver written notice of its objection to the documents relating to such Capital Improvements, or any revision thereto, as the case may be, within fifteen (15) days of its receipt thereof, Sublandlord shall be deemed to have approved such Capital Improvements and the Capital Expenditures to be incurred in connection therewith; provided, however, that Subtenant's delivery of such Capital Improvement documentation to Subtenant includes a notice bearing the legend set forth in Section 7.02(c) of the Stadium Sublease Agreement. Promptly after such Capital Improvement documents are approved or deemed approved by Sublandlord, Sublandlord shall submit the same to the Agency for the Agency's consent in accordance with the Lease Agreement (to the extent required by the Lease Agreement). Sublandlord shall diligently endeavor to obtain any such consent and notify Subtenant if, as and when such consent is obtained. If, upon submission to the Agency of any Capital Improvements approved by Sublandlord, the Agency requires any material changes to Capital Improvement documents, Subtenant shall re-submit such documents to Sublandlord for its review and approval in the manner described above.

(c) All Capital Expenditures incurred in connection with the Capital Improvements to be (or caused to be) performed by Sublandlord pursuant to this summarized section shall be paid from the Annual Budget Amount for the applicable Lease Year(s).

## **Insurance; Indemnity**

### Stadium Insurance

At all times during the Term of the Sublease, Sublandlord shall maintain all property liability and other insurance required to be obtained and maintained by it pursuant to the applicable provisions of the Lease Agreement. Such insurance shall contain such exclusions and deductibles reasonably requested by Subtenant, provided that the same are consistent with the requirements of the Lease Agreement and the Approved Annual Budget. Subtenant may at any time, and from time to time request that Sublandlord maintain insurance coverage with respect to the Stadium in excess of that required by the Lease Agreement, and Sublandlord shall do so unless it has reasonable objections thereto. The insurance to be maintained by Sublandlord pursuant to this paragraph is referred to as "Stadium Insurance" and the cost thereof shall be included in the Annual Budget Amount for each Lease Year.

On or prior to the Commencement Date, Sublandlord shall deliver to Subtenant copies of such insurance policies for Stadium Insurance, together with certificates of such insurance, naming Subtenant, the Agency, the City (as fee owner) and such other parties as are required to be named pursuant to the Lease Agreement as additional insureds or loss payees, as applicable.

### Compliance with Policies

Subtenant shall not violate or permit to be violated any of the conditions, provisions or requirements of any insurance policy required under the Stadium Sublease Agreement and Subtenant shall perform and satisfy or cause to be performed and satisfied the conditions, provisions and requirements of the policies in connection with its business activities at the Premises so that, at all times, companies acceptable to the Agency shall be providing the insurance required by the Lease Agreement. Notwithstanding the foregoing, at the reasonable request of Subtenant, Sublandlord shall (subject to inclusion of the cost, therefore in the Annual Budget) contest the conditions provisions and requirements of any insurance company providing the insurance carried or caused to be carried by Sublandlord under the Stadium Sublease Agreement, provided that, at all times during the Term of the Sublease, the



insurance required by the Stadium Sublease Agreement shall be in full force and effect in accordance with the provisions of the Lease Agreement despite such contest.

#### Subtenant's Obligation to Indemnify

Subtenant shall not do any act or thing, and shall use diligent efforts to not permit any act or thing to be done upon the Premises, or any portion thereof, during its periods of use of the Premises, or in connection with or as its obligation under the Stadium Sublease Agreement, which subjects Sublandlord, the Agency, the City or the Lease Administrator to any liability or responsibility for injury or damage to Persons or property or to any liability by reason of any violation of Requirements (except to the extent, if any, that such injury or damage results from risks commonly associated with or inherent in the nature of the activity or event at which such injury or damage is being sustained, e.g., an injury sustained by a person struck by a batted baseball at a baseball game or other game projectile from team or participant play in the course of a sporting event), but shall exercise such reasonable control over the Premises as to the foregoing matters so as to protect the other party against any such liability (provided that nothing contained in the preceding sentence shall limit Sublandlord's obligations under the Stadium Sublease Agreement). To the fullest extent permitted by law, Subtenant shall indemnify and save the Indemnitees harmless from and against any and all liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses, including, without limitation, reasonable architects' and attorneys' fees and disbursements (collectively, "Liabilities") that may be imposed upon or incurred by or asserted against any of the Indemnitees by reason of any of the following, except that no Indemnitee shall be so indemnified and saved harmless to the extent of which such Liabilities are caused by the negligence or wrongful acts or omissions of Sublandlord, the Agency, the City or the Lease Administrator or their respective directors, officers, members, trustees, officials, employees, agents, invitees or contractors: (a) any act or failure to act on the part of Subtenant, and/or (b) Subtenant's failure to make any payment or to perform or comply with any other of its obligations, representations or covenants under the Stadium Sublease Agreement.

#### Contractual Liability

Neither party's obligations under this summarized section shall be affected by the absence of insurance coverage, or by the failure or refusal of any insurance carrier to perform an obligation on its part under insurance policies affecting the Premises.

#### **Annual Budget**

Sublandlord shall deliver to Subtenant an Annual Budget not later than thirty (30) days prior to the commencement of each Lease Year.

Each Annual Budget shall be subject to Subtenant's approval (each such Annual Budget, an "Approved Annual Budget"). If Subtenant objects to any item of the Annual Budget, Subtenant shall advise Sublandlord of such objection within fifteen (15) days after Subtenant's receipt thereof (and deliver to Sublandlord a reasonably detailed description of such objection). Sublandlord shall promptly revise such Annual Budget and resubmit the same to Subtenant (unless Sublandlord has reasonable objections thereto). Subtenant shall advise Sublandlord of any objections to such revised Annual Budget within fifteen (15) days after receipt thereof (and deliver to Sublandlord a reasonably detailed description of such objections) and Sublandlord shall promptly revise the same in accordance with the process described in this summarized section (unless Sublandlord has reasonable objections thereto) until Subtenant approves the Annual Budget. If Subtenant shall not deliver written notice of its objection to an Annual Budget, or any revision to such Annual Budget, as the case may be, within fifteen (15) days of its receipt thereof, Subtenant shall be deemed to have approved such Annual Budget; provided, however

that, Sublandlord's delivery of such Annual Budget to Subtenant includes a notice bearing the legend described in Section 9.02 of the Stadium Sublease Agreement. Until Subtenant approves or is deemed to approve a proposed Annual Budget, the proposed Annual Budget shall apply with respect to undisputed items and the most recently Approved Annual Budget shall apply with respect to disputed items (increased by five (5%) percent above the previous year's Annual Budget for such items). Notwithstanding anything contained in the Stadium Sublease Agreement to the contrary (but subject to the immediately succeeding paragraph), if the disputed item is (x) reasonably required in order to (i) comply with Sublandlord's obligations under the Lease Agreement, (ii) comply with Requirements or (iii) address an emergency (to wit, an imminent and serious danger to persons, or property) or (y) constituted by a deductible payable under insurance policies, (any expenditure described in clauses (x) and (y), an "As-of-Right Expenditure") such expenditure shall be deemed included in the Annual Budget, regardless of the amount. Any dispute as to whether an item constitutes an As-of-Right Expenditure may be submitted to arbitration. Sublandlord shall promptly notify Subtenant in writing of an As-of-Right Expenditures of any amount in excess of that set forth in the Approval Annual Budget. It is understood and agreed that each Annual Budget shall contain (x) a five (5%) percent contingency and Sublandlord shall have the right to expend items within such contingency without Subtenant's approval, subject to the provisions of the Stadium Sublease Agreement and summarized under the caption "Excluded Expenditures" and (y) an Administrative Fee.

#### Amendment to Annual Budget

If any Additional Expense is incurred, or is reasonably anticipated to be incurred, in connection with the operation and maintenance of the Stadium during the applicable Lease Year, Sublandlord shall promptly deliver a reasonably detailed explanation of such proposed Additional Expense to Subtenant for its approval, which approval shall be granted or denied in the manner described in summarized section immediately above. Upon receipt of Subtenant's approval or deemed approval of such Additional Expense, the Approved Annual Budget (and corresponding Annual Budget Amount) for the applicable Lease Year shall be amended to reflect the inclusion of such Additional Expense. If Sublandlord is required to furnish funds for any event described in the immediately preceding sentence, Sublandlord shall promptly notify Subtenant of such requirement and Subtenant shall be required to furnish such amounts to Sublandlord within ten (10) days after Sublandlord's demand therefor.

#### Annual Budget Amount

Sublandlord shall, from time to time during each Lease Year apply the Annual Budget Amount to the payment of costs and expenses reflected in the Approved Annual Budget for such Lease Year, as the same may be amended from time to time. Within sixty (60) days after the expiration of each Lease Year, Sublandlord shall deliver to Subtenant a certificate specifying in reasonable detail the amount actually expended by Sublandlord pursuant to certain Articles of the Stadium Sublease Agreement and the amounts set forth for such items in the Approved Annual Budget. If any portion of the Annual Budget Amount remains unspent at the end of a Lease Year (and after all costs and expenses reflected in the Approved Annual Budget for such Lease Year have been paid), Sublandlord shall promptly return to Subtenant such remaining portion of the Annual Budget Amount from amounts on deposit in the Annual Budget Amount Account. Subtenant and its authorized representatives shall have the right to inspect Sublandlord's books and records at Sublandlord's office to verify the amount so expended during the two year period after the expiration of the applicable Lease Year. If such inspection finds that Sublandlord has overstated the amount of such expense, Sublandlord shall promptly refund the excess to Subtenant with interest thereon at two percent (2%) above the Prime Rate. If such inspection reveals that Sublandlord overstated such expenditures by more than five (5%) percent and as a result thereof, Sublandlord was required to pay Subtenant more than \$100,000, Sublandlord shall pay for the actual

reasonable costs of such inspection. Sublandlord will retain its books and records related to such inspection for a period of at least three (3) years after the end of the Lease Year to which the same relate.

#### Excluded Expenditures

The following items shall not be included in any Annual Budget or as an Additional Expense: (1) fees and costs related to Sublandlord's activities not related to the operation and maintenance of the Stadium (including without limitation the salaries of personnel not related thereto), (2) income taxes relating to any fees or profits reported by Sublandlord, (3) legal fees not directly related to the operations of the Stadium, (4) amounts paid by Sublandlord under the Lease Agreement by way of indemnity, damages or otherwise related to its failure to perform its obligations thereunder resulting from causes other than the failure of Subtenant to perform its obligations under the Stadium Sublease Agreement, (5) amounts paid to affiliates of Sublandlord that would exceed amounts reasonably anticipated to be paid to third parties in an arms-length transaction, (6) amounts payable by Sublandlord and not reimbursed by insurance due to its failure to maintain the insurance contained in an Approved Budget and (7) administrative or management fees in excess of the Administrative Fee.

#### Swap Agreement

Sublandlord shall deliver a copy of each Swap Agreement to Subtenant before executing the same and shall not enter into any such agreement if Subtenant has reasonable objections thereto. Subtenant shall pay Sublandlord from time to time any amounts paid or payable by Sublandlord under the Swap Agreement within 10 days after demand therefore (accompanied by evidence reasonably satisfactory to Subtenant of such amount).

### **Damage, Destruction and Restoration**

#### Obligation to Restore

Subject to the provisions of the summarized section entitled "Subtenant's Right to Terminate", if the Improvements are damaged or destroyed by fire or other casualty, Sublandlord shall perform a Casualty Restoration, subject to the provisions described in the Section of this Official Statement captioned "THE STADIUM — Real Estate Leases — *Lease Agreement*".

#### Application of Restoration Funds

All Restoration Funds shall be held and disbursed in accordance with the Lease Agreement as more particularly described in the Sections of this Official Statement captioned "THE STADIUM — Real Estate Leases — *Lease Agreement*" and "*Stadium Sublease Agreement*".

Subtenant may consult with Sublandlord concerning the settlement of any insurance proceeds and shall have a right of reasonable approval with respect to any such settlement.

Notwithstanding anything to the contrary set forth in the Stadium Sublease Agreement with respect to the use and disposition of Restoration Funds, the use and disposition of Restoration Funds shall be subject and subordinate to the terms and conditions of the Lease Agreement.

#### Subtenant's Right to Terminate

If, pursuant to the terms of the Lease Agreement, Sublandlord shall have the right to terminate the Lease Agreement on account of a casualty, then (i) Subtenant may terminate the Stadium Sublease

Agreement within eighty (80) days after such casualty by notice to Sublandlord (in which case all insurance proceeds shall be allocated among the Agency and Sublandlord in accordance with the Lease Agreement) and (ii) Sublandlord shall not terminate the Lease Agreement unless Subtenant terminates the Stadium Sublease Agreement pursuant to clause (i) above. If Subtenant terminates the Stadium Sublease Agreement pursuant to clause (i) above, the Stadium Sublease Agreement shall terminate on the date that is thirty (30) days after delivery of notice to Sublandlord thereof and in such event, Sublandlord shall owe no duty to restore the Premises pursuant to the summarized section entitled “Obligation to Restore”.

#### Effect of Casualty on Stadium Sublease Agreement

Unless Subtenant elects to terminate the Stadium Sublease Agreement pursuant to the summarized section immediately above, the Stadium Sublease Agreement shall neither terminate, nor be affected in any manner, by reason of damage to, or destruction of, the Improvements and the parties’ obligation under the Stadium Sublease Agreement continue as though the Improvements had not been damaged or destroyed and shall continue without abatement, suspension, diminution or reduction unless and until Subtenant exercises its right to terminate pursuant to the summarized section entitled “Subtenant’s Right to Terminate”.

#### **Condemnation**

##### Substantial Taking

If there shall be a Substantial Taking (other than a Temporary Taking), the Stadium Sublease Agreement shall terminate on the Date of Taking. The award with respect to such Taking shall be applied in the manner described in the Section of this Official Statement captioned “THE STADIUM — Real Estate Leases – *Lease Agreement*” and “– *Stadium Sublease Agreement*” Sublandlord shall, subject to the terms of the Lease Agreement, retain any portion of such award or payment received by Sublandlord with respect to such Taking.

Subtenant shall be entitled to make a separate claim in the condemnation proceeding for Subtenant’s moving expenses and the amount of the loss of value or utility of Subtenant’s personal property, including Subtenant’s Equipment, moveable partitions, communications equipment and other articles of moveable equipment owned or leased by Subtenant and located at the Premises. In no event shall Subtenant submit a claim for value for the unexpired Term of the Sublease.

##### Partial Taking

If there shall be a Taking less than a Substantial Taking (other than a Temporary Taking), the Stadium Sublease Agreement continues without diminution of either party’s obligations thereunder. In such event, Sublandlord shall restore the Premises to the condition in which it existed immediately before the Taking as nearly as possible (a “Condemnation Restoration”) subject to the provisions described in the Section of this Official Statement captioned “THE STADIUM — Real Estate Leases – *Lease Agreement*” and “– *Stadium Sublease Agreement*”, and all condemnation awards shall be paid and applied in the same manner set forth in the said Sections of this Official Statement as if such Taking were a casualty. Subtenant has waived all rights under present or future law to quit or surrender the Premises or any part thereof by reason of any Taking that is less than a Substantial Taking.

If, pursuant to the terms of the Lease Agreement, Sublandlord shall have the right to terminate the Lease Agreement on account of a Taking, (i) Subtenant shall have the right to terminate the Stadium Sublease Agreement within eighty (80) days of the applicable Taking (in which case all condemnation awards shall be allocated among the Agency and Sublandlord in accordance with the Lease Agreement)

and (ii) Sublandlord shall not terminate the Lease Agreement unless Subtenant shall terminate the Stadium Sublease Agreement pursuant to clause (i) above.

#### Temporary Taking

If there shall be a Temporary Taking, the Stadium Sublease Agreement shall continue in full force and effect, and Sublandlord shall retain any award received by Sublandlord pursuant to the Lease Agreement.

#### Subtenant's Appearance at Condemnation Proceedings

Subtenant shall have the right to appear in any condemnation proceedings and to participate in any and all hearings, trials, and appeals in connection with the exercise of its rights under the second paragraph under the caption "Substantial Taking".

#### Subordination

The use and disposition of Restoration Funds shall be subject and subordinate to the terms and conditions of the Lease Agreement.

#### **Subordination to Lease Agreement**

Subject to the matters set forth in this summarized section, the Stadium Sublease Agreement is subject and subordinate to the Lease Agreement and the Ground Lease and to all other matters and interests to which the Lease Agreement and the Ground Lease are or shall be subordinate. Notwithstanding anything contained in the Stadium Sublease Agreement to the contrary:

(i) The manner of conduct of activities on the Premises in conjunction with any Team Home Games or other event conducted under the auspices of or in affiliation with Major League Baseball or the Team and the right and remedies of the parties with respect thereto, shall be subject in all respects to each of the following, as they may be amended from time to time: (i) any present or future agreements entered into by, or on behalf of, any of the Major League Baseball entities or affiliates, or the member clubs acting collectively, including, without limitation, the MLB Documents and MLB Rules and Regulations, and each agreement entered into pursuant thereto, or (ii) the MLB Actions or the present and future mandates, rules, regulations, policies, bulletins or directives issued or adopted by the Commissioner of Baseball or the MLB Entities.

(ii) The parties are aware of the provisions contained in Article V, Section 2(b)(2) of the Major League Constitution among the Major League Baseball Clubs, and recognizes that the Ownership Committee of Baseball has issued the Guidelines.

(iii) Each party to the Stadium Sublease Agreement acknowledges that Article V, Section 2(b)(2) of the Major League Constitution and the Guidelines require that the transfer of a control interest in either the Franchise or Subtenant be subject to the approving vote of the Major League Baseball Clubs in their absolute discretion. Each party to the Stadium Sublease Agreement also acknowledges the "best interests of baseball" powers held by the Commissioner of Baseball under the Major League Constitution. Accordingly, each party to the Stadium Sublease Agreement acknowledges that such approvals would be required for any sale or transfer of the Franchise, the Team, or an interest in either the Franchise or the Team, or any sale, transfer, assignment, license, sublease or other conveyance of MLB related collateral to a third party as well as to any party to the Stadium Sublease Agreement, and that each such transaction shall be subject to and made in accordance with the Major League Constitution and the Guidelines.

(iv) Each party to the Stadium Sublease Agreement acknowledges that any temporary or permanent management of the Franchise or the Team shall be subject to the prior approval of the Commissioner of Baseball and the Major League Baseball Clubs. In the event any party to the Stadium Sublease Agreement desires to operate the Franchise or the Team for its own account on a temporary or permanent basis, such Person shall seek the prior approval of the Commissioner and the Major League Baseball clubs in accordance with the Major League Constitution and the Guidelines.

(v) Upon the occurrence and continuance of an Event of Default under the Stadium Sublease Agreement, a party may not exercise any remedy or take any other action which would result in the termination of any of the rights of the Team to use and possess the Premises in accordance with and pursuant to the terms of the Stadium Sublease Agreement prior to the expiration of a period (the “Stadium Sublease Stay Period”) commencing on the date of the occurrence of such Event of Default and ending on the date that is six (6) months after the date of such commencement, provided, that if the Stadium Sublease Stay Period expires during a Team Season, the Stadium Sublease Stay Period shall be extended to the day after the last day of such Team Season.

#### Termination of Stadium Sublease Agreement

If the Lease Agreement is terminated in accordance with Section 8.10 or 38.22 thereof (relating to the discovery of certain Hazardous Materials and Unavoidable Delays in construction), the Stadium Sublease Agreement shall terminate simultaneously therewith.

#### Subordination of Stadium Sublease Agreement to Recognized Mortgages

The Stadium Sublease Agreement is, shall be and shall remain, unconditionally and irrevocably subject and subordinate to each Recognized Mortgage, the lien thereof, any and all advances and/or re-advances made and to be made thereunder, any and all sums now or hereafter secured thereby and any and all modifications, amendments, renewals, extensions, increases, consolidations, reductions, severances, supplements, restatements and/or replacements thereof, with the same force and effect as if such Recognized Mortgage had been executed and delivered prior to the execution and delivery of the Stadium Sublease Agreement and without regard to the order of priority of the recording of such Recognized Mortgage and the Stadium Sublease Agreement or the Memo of Sublease, provided that the holder thereof executes, acknowledges and delivers a Subordination, Non Disturbance and Attornment Agreement substantially in the form and substance required by the Stadium Sublease Agreement.

#### **Assignment And Subleasing**

#### Limitations on Right to Enter Into Sub-Sublease or Capital Transaction

Subtenant may not enter into any Capital Transaction or Sub-Sublease, except for Permitted Transactions, or otherwise only with the prior written consent of Sublandlord in its sole discretion in each instance.

A Sub-Sublease or Capital Transaction is deemed a “Permitted Transaction” for purposes of the Stadium Sublease Agreement if the conditions set forth for a “Permitted Transaction” in the Lease Agreement are satisfied with respect thereto as if (i) all references therein to the Lease Agreement were to the Stadium Sublease Agreement; (ii) all references therein to Tenant and the Agency were to Subtenant and Sublandlord, respectively; (iii) all references therein to a Stadium Sublease Agreement were to a Sub-Sublease; (iv) all references therein to an Event of Default referred to an Event of Default under the Stadium Sublease Agreement; (v) all references to Assignee, Transferee or Subtenant referred to an Assignee, Transferee or Sub-Subtenant of Subtenant’s interest under the Stadium Sublease Agreement;

(vi) subclause (5) of clause (i) of paragraph (b) of the section of the Lease Agreement entitled “Limitations on Right to Enter Into Sublease or Capital Transaction” read in its entirety as follows: “the proposed Assignee, Transferee or Sub-Subtenant shall have Common Ownership with Sublandlord”; (vii) subclause (6) of clause (i) of paragraph (b) of the section of the Lease Agreement entitled “Limitations on Right to Enter Into Sublease or Capital Transaction” read in its entirety as follows: “if Sublandlord has not Substantially Completed Construction of the Stadium as of the effective date of the Sub-Sublease, Assignment or Transfer, Subtenant and Sublandlord will be under Common Control”; and (viii) without limiting the section of the Stadium Sublease Agreement entitled “Acknowledgment of Non-Impairment”, the provisions of subclause (7) of clause (i) of paragraph (b) of the section of the Lease Agreement entitled “Limitations on Right to Enter Into Sublease or Capital Transaction” shall not be applicable.

So long as the Non-Relocation Agreement is in effect, Subtenant shall not assign the Stadium Sublease Agreement or cause or permit any Transfer if such assignment or Transfer does not comply with the requirements of the Non-Relocation Agreement.

### **Events of Default and Remedies**

#### Event of Default by Subtenant

The occurrence of one or more of the following events constitutes an Event of Default under the Stadium Sublease Agreement if the same shall not have been remedied on or prior to the date which is twenty (20) Business Days after an Event of Default Notice:

(a) If default shall be made in the payment when due of any Annual Rent and such default shall continue for a period of ten (10) days after notice thereof; or

(b) If default shall be made in the performance of any other covenant or agreement on the part of Subtenant to be performed under the Stadium Sublease Agreement, and such default shall continue for a period of twenty (20) days; provided, however, in the case of a default which cannot with reasonable diligence be remedied by Subtenant within a period of twenty (20) days after notice thereof, if Subtenant commences to remedy such default within such twenty (20) day period and thereafter prosecutes the remedying of such default with all reasonable diligence, the period of time after the giving of such notice within which to remedy the default shall be extended for such period as may be necessary to remedy the same with all reasonable diligence; or

(c) To the extent permitted by law, if Subtenant shall make an assignment for the benefit of creditors; or

(d) To the extent permitted by law, if Subtenant shall file a voluntary petition under Title 11 of the United States Code or if a petition under Title 11 of the United States Code shall be filed against Subtenant and an order for relief shall be entered, or if Subtenant shall file a petition or an answer seeking, consenting to or acquiescing in, any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future Federal bankruptcy code or any other present or future applicable Federal, state or other bankruptcy or insolvency statute or law, or shall seek, or consent to, or acquiesce in, or suffer the appointment of, any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Subtenant, or of all or any substantial part of its properties, or of the Premises or any interest of Subtenant therein, or if Subtenant shall take any partnership, joint venture or corporate action in furtherance of any action described in paragraph (c) above or this summarized paragraph (d); or

(e) To the extent permitted by law, if within ninety (90) days after the commencement of a proceeding against Subtenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future Federal bankruptcy code or any other present or future applicable Federal, state or other bankruptcy or insolvency statute or law, such proceeding shall not be dismissed, or if, within one hundred eighty (180) days after the appointment, without the consent or acquiescence of Subtenant of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Subtenant; or of all or any substantial part of its properties, or of the Premises or any interest of Subtenant therein, such appointment shall not be vacated or stayed on appeal or otherwise, or if, within one hundred eighty (180) days after the expiration of any such stay, such appointment shall not be vacated; or

(f) If any of the material representations made by Subtenant in the Stadium Sublease Agreement is or shall become false or incorrect in any material respect when made, provided that, if such misrepresentation was unintentionally made, the underlying condition is susceptible to being corrected, and Sublandlord has not been materially adversely affected by such misrepresentation or underlying condition, Subtenant shall have a period of thirty (30) days after Sublandlord's notice of such misrepresentations to correct the underlying condition and thereby cure such default (unless such cure cannot by its nature reasonably be performed within such thirty (30) day period, in which event Subtenant shall have such time as is required so long as Subtenant shall have commenced such cure within such thirty (30) day period and shall diligently and continuously prosecute the same to completion); or

(g) If a levy under execution or attachment shall be made against the Premises or any part thereof, the income therefrom, the Stadium Sublease Agreement or Sublandlord's estate created by the Stadium Sublease Agreement and such execution or attachment shall not be vacated or removed by court order, bonding or otherwise within a period of one hundred eighty (180) days; or

(h) If Subtenant or any of its Principals (as defined in the Lease Agreement) is or becomes a Prohibited Person, and the cure of the condition giving rise to such status is not commenced within sixty (60) days or having been commenced is not or has not been diligently prosecuted by all reasonably available lawful means (a default under this paragraph (h) is deemed not to exist if Subtenant is either pursuing all reasonably available lawful means, or has exhausted all reasonably available lawful means to cure such default with or without success), or if, any Principal that is a Prohibited Person has managerial control over Subtenant the applicable Principal shall not have been removed from managerial control over Subtenant within sixty (60) days of notice of such default; or

(i) a "Prohibited Relocation" (as defined in the Non-Relocation Agreement) occurs, which is not cured within the notice and grace periods contained in the Non-Relocation Agreement,

then, in each case, Sublandlord may give to Subtenant a notice of election to end the Term of the Sublease not less than twenty (20) days from the date of service of such notice, and, if said notice is given, then, subject to the terms and conditions of the MLB Documents, at the expiration of period provided in the notice, the Term of the Sublease and all right, title and interest of Subtenant under the Stadium Sublease Agreement shall end and expire as fully and completely as if that day were the date in the Stadium Sublease Agreement specifically fixed for the expiration of the Term of the Sublease, and Subtenant shall quit and surrender the Premises to Sublandlord, but Subtenant shall remain liable as provided in the Stadium Sublease Agreement.

Any notice of default or Event of Default provided for in the Stadium Sublease Agreement to be delivered by Sublandlord shall not be effective unless such notice (i) shall contain the legend set forth in Section 14.01 of the Stadium Sublease Agreement and (ii) specify in reasonable detail the nature of the default or Event of Default which is the basis of such notice.



### Sublandlord's Remedies

Upon the termination of the Stadium Sublease Agreement pursuant to any of the provisions of the summarized sections under the heading "Events of Default and Remedies" or if an Event of Default shall have occurred and be continuing (whether or not the Stadium Sublease Agreement has terminated pursuant to its terms), subject to the terms and conditions of the MLB Documents, it shall be lawful for Sublandlord and Sublandlord's agents to, and Sublandlord and Sublandlord's agents may, without further demand or notice of any kind, re-enter the Premises by summary dispossess proceedings or any other action or proceeding authorized by law and dispossess and remove Subtenant and any other occupants (other than permitted space sub-subtenants) and the property of Subtenant and any other occupants of the Premises (other than permitted space sub-subtenants) therefrom and hold the Premises as if the Stadium Sublease Agreement had not been made (except with respect to obligations of the parties which survive the expiration or earlier termination of the Stadium Sublease Agreement).

In the event of a termination of the Stadium Sublease Agreement pursuant to the summarized sections under the heading "Events of Default and Remedies," or of a re-entry by Sublandlord by or under any summary dispossess or other proceeding or action or any provision of law by reason of the happening of an Event of Default, Sublandlord shall be entitled to retain (i) all monies paid by Subtenant to Sublandlord as Annual Rent due and payable under the Stadium Sublease Agreement during the period prior to the date of such termination or re-entry and (ii) all amounts in excess of such Annual Rent received by Sublandlord to Subtenant pursuant to the summarized section entitled "Payment of Annual Rent."

Subtenant waives all rights of redemption under any present or future laws in case Subtenant shall be dispossessed or evicted or in the event Sublandlord obtains possession of the Premises as provided in the Stadium Sublease Agreement.

Sublandlord's remedies under the Stadium Sublease Agreement shall be limited to the provisions of the summarized section entitled "Liability of Parties."

### Default by Sublandlord

In the event of any default by Sublandlord under the Stadium Sublease Agreement, subject to the provisions of paragraph (a) of the section of the Stadium Sublease Agreement entitled "Limitation on Liability", Subtenant may exercise all rights to which Subtenant shall be entitled to under the Stadium Sublease Agreement, at law or in equity. Sublandlord shall promptly reimburse Subtenant for any sums expended by Subtenant on behalf of Sublandlord pursuant to the Lease Agreement, together with interest on the sum so expended at an annual rate of two percent (2%) above the Prime Rate.

### Right to Enjoin Defaults or Threatened Defaults

In the event of a default or threatened default by a party under the Stadium Sublease Agreement, the other party shall be entitled to enjoin such default or threatened default and shall have the right to invoke any rights and remedies allowed at law or in equity or by statute or by the Stadium Sublease Agreement, other remedies that may be available to such party notwithstanding. Each right and remedy of each party provided for in the Stadium Sublease Agreement shall be cumulative and shall be in addition to every other right or remedy provided for in the Stadium Sublease Agreement or now or hereafter existing at law or in equity or by statute, and the exercise or beginning of the exercise by a party of any one or more of the rights or remedies provided for in the Stadium Sublease Agreement or now or hereafter existing at law or in equity or by statute shall not preclude the simultaneous or later exercise by

such party of any or all other rights or remedies provided for in the Stadium Sublease Agreement or now or hereafter existing at law or in equity or by statute.

#### Remedies Under Bankruptcy and Insolvency Codes

If an order for relief is entered or if any stay of proceeding or other act becomes effective against Subtenant or Subtenant's interest in the Stadium Sublease Agreement in any proceeding which is commenced by or against Subtenant under the present or any future Federal Bankruptcy Code or in a proceeding which is commenced by or against Subtenant seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any other present or future applicable federal, state or other bankruptcy or insolvency statute or law, Sublandlord shall be entitled to invoke any and all rights and remedies available to it under such bankruptcy or insolvency code, statute or law or the Stadium Sublease Agreement, including, without limitation, such rights and remedies as may be necessary to protect adequately Sublandlord's right, title and interest in and to the Premises or any part thereof and adequately assure the complete and continuous future performance of Subtenant's obligations under the Stadium Sublease Agreement.

#### Agency's Right to Cure Sublandlord Defaults

Subtenant shall promptly notify the Agency of any default by Sublandlord under the Stadium Sublease Agreement and of any act or omission of Sublandlord which would give Subtenant the right, immediately or after the giving of notice and the lapse of time, to cancel or terminate the Stadium Sublease Agreement, to assert any offset, defense or counterclaim to the payment of rent or additional rent under the Stadium Sublease Agreement, or to claim a partial or total eviction.

If any default by Sublandlord under the Stadium Sublease Agreement or any act or omission of Sublandlord would give Subtenant the right, immediately or after the giving of notice and the lapse of time, to cancel or terminate the Stadium Sublease Agreement, to assert any offset, defense or counterclaim to the payment of rent or additional rent under the Stadium Sublease Agreement, or to claim a partial or total eviction, Subtenant shall not exercise any such right (i) until Subtenant has given written notice of such default, act or omission to the Agency and (ii) unless the Agency has failed, within thirty (30) Business Days after the Agency receives such notice, to cure or remedy such default, act or omission or, if such default, act or omission shall be one which is not reasonably capable of being cured or remedied by the Agency within such thirty (30) Business Day period, until a reasonable period of time for curing or remedying such default, act or omission shall have elapsed following the giving of such notice (which reasonable period shall in no event be less than the period to which Sublandlord would be entitled under the Stadium Sublease Agreement or otherwise, after similar notice, to effect such cure or remedy); provided that the Agency shall give Subtenant prompt written notice of its intention to cure or remedy such default, act or omission and shall thereafter cure or remedy the same with due diligence. If the Agency cannot reasonably cure or remedy a default, act or omission of Sublandlord until after the Agency obtains possession of the Land and/or the Stadium, Subtenant shall not terminate or cancel the Stadium Sublease Agreement, assert any offset, defense or counterclaim to the payment of rent or additional rent under the Stadium Sublease Agreement, or claim a partial or total eviction by reason of such default, act or omission until the expiration of a reasonable period of time necessary for the Agency to cure or remedy the same after the Agency obtains possession of the Land and/or the Stadium. Subtenant shall accept performance by the Agency of any covenant, condition, obligation or agreement on Sublandlord's part to be performed under the Stadium Sublease Agreement with the same force and effect as though performed by Sublandlord. To the extent that the Agency incurs any expenses or other costs in curing or remedying such default, act or omission, including, without limitation, attorneys' fees and disbursements, the Agency shall be subrogated to Subtenant's rights against Sublandlord under the Stadium Sublease Agreement.

Notwithstanding the foregoing, the Agency shall have no obligation under the Stadium Sublease Agreement to cure or remedy any such default, act or omission.

Nothing contained in this summarized section is intended to limit any termination right of Subtenant or automatic termination expressly set forth in the Stadium Sublease Agreement.

### **As Is**

Subtenant shall accept the Premises “as is” on the date that Substantial Completion occurs, free of any other occupancy, subject to the performance of “punch-list” work and the obligations of Sublandlord expressly contained in the Stadium Sublease Agreement.

### **Discharge of Liens, Bonds**

#### Covenant of Sublandlord

Sublandlord shall not create or cause to be created (a) any mortgage, lien, encumbrance or charge upon the Lease Agreement (or the leasehold estate created thereby) or the Premises or any part thereof or income therefrom that is not permitted under the Lease Agreement or (b) any mortgage, lien, encumbrance or charge upon the Stadium Sublease Agreement (or the leasehold estate created by the Stadium Sublease Agreement or the income therefrom). If any mechanic’s, laborer’s, vendor’s, materialman’s or similar statutory lien (including tax liens, provided the underlying tax is an obligation of Sublandlord by law or by a provision of the Lease Agreement) is filed against the Premises or any part thereof due to any act or omission of Sublandlord or any of its agents or contractors, or if any public improvement lien created, or caused or suffered to be created by Sublandlord shall be filed against any assets of, or funds appropriated to, Subtenant, then, Sublandlord shall, within sixty (60) days after receipt of notice of the filing of such mechanic’s, laborer’s, vendor’s, materialman’s or similar statutory lien or public improvement lien, cause it to be vacated or discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. Notwithstanding the foregoing, Sublandlord shall not be required to discharge any such liens if Sublandlord shall have brought an appropriate proceeding to discharge such lien and is prosecuting such proceeding with diligence and continuity; except that if, despite Sublandlord’s efforts to seek discharge of the lien, Subtenant reasonably believes such lien is about to be foreclosed and so notifies Sublandlord, Sublandlord shall immediately cause such lien to be discharged of record.

#### Covenant of Subtenant

Subtenant shall not create or cause to be created any mortgage, lien, encumbrance or charge upon the Stadium Sublease Agreement (or the leasehold estate created by the Stadium Sublease Agreement) or the Premises or any part thereof or income therefrom. Notwithstanding the foregoing, Subtenant shall have the right to enter into Sub-Subleases, licenses and use and occupancy agreements relating to Premises as provided by, and in accordance with, the provisions of the Stadium Sublease Agreement.

#### Limitation on Liability

The liability of Sublandlord, for damages or otherwise, shall be limited to Sublandlord’s interest in the Premises, the proceeds, payable to Sublandlord, under any insurance policies covering or relating to the Premises, and any award payable to Sublandlord in connection with any Taking of part or all of the Premises.

The liability of Subtenant for damages or otherwise shall be limited to Subtenant's interest in the Premises, the proceeds payable to Subtenant under any insurance policies covering or relating to the Premises, and any awards payable to Subtenant in connection with any Taking of part or all of the Premises.

#### Other Covenants

Sublandlord and Subtenant will not modify or, except to the extent provided in Section 10.04, Section 11.01(a), Section 11.02(b), Section 12.02 or Article 14 of the Stadium Sublease Agreement, terminate the Sublease Documents in any manner that would have a material adverse effect on the Agency, the City or the ESDC under the Lease Agreement, the Ground Lease, the Non-Relocation Agreement and/or any of the Bond Documents.

#### Late Charges

If (a) any payment due under the Stadium Sublease Agreement is not received by Sublandlord within twenty (20) days after receipt by Subtenant from Sublandlord of notice that such payment has become due, and is not received by Sublandlord within thirty (30) days after receipt by Subtenant from Sublandlord of a further notice that such payment is overdue by more than thirty (30) days, or (b) Sublandlord has made a payment required to be made by Subtenant under the Stadium Sublease Agreement, a late charge on the sums so overdue or paid by Sublandlord, calculated at the rate of two percent (2%) above the Prime Rate; provided, however, that such charge may not exceed the maximum amount permitted by law (the "Late Charge Rate"), compounded from the date such payment first became due or the date of payment by Subtenant, as the case may be, to the date on which actual payment or reimbursement of such sums is received by Subtenant, shall become due and payable to Sublandlord as liquidated damages for the administrative costs and expenses incurred by Sublandlord by reason of Subtenant's failure to timely make payment.

#### Non-Relocation Agreement

Subtenant will promptly and faithfully perform its obligations under the Non-Relocation Agreement. Without limiting Sublandlord's other remedies under the Stadium Sublease Agreement, (i) Subtenant grants Sublandlord the rights it has provided the City under the Non-Relocation Agreement (except such grant does not include the remedies contained in Article 3 thereof except as provided in the following clause) and (ii) Sublandlord may seek and obtain, and Subtenant consents to the entry of, temporary and preliminary and permanent injunctive relief restraining, enjoining and prohibiting any breach or threatened breach of Subtenant's obligations under the Non-Relocation Agreement and directing the specific performance thereof.

#### Marks

During the Term of the Sublease, the Agency, Sublandlord, the City, the State, ESDC and their agencies and instrumentalities, have the non-exclusive right to use the name of the Stadium, and to broadcast, display, publish, or otherwise disseminate photographs or other pictorial images of the Stadium for non-commercial public information purposes; provided that in no event shall such use, broadcast, display, publication or other dissemination disparage the image of the Stadium or the Team. There shall be a rebuttable presumption that any use, broadcast, display, publication or other dissemination of the name and/or logo and/or image of the Stadium solely for non-commercial public informational purposes does not disparage the image of the Stadium or the Team. The use of the name of the Stadium is subject to all applicable laws and the established standards of Major League Baseball. Notwithstanding the initial designation of the Stadium as "Yankee Stadium," the non-exclusive right granted pursuant to this

paragraph does not include any right, license or other entitlement to use distribute, display, reproduce, exploit or create any derivative work or any other Mark. The Marks are owned exclusively by Subtenant. Sublandlord, the Agency, the City, the State, ESDC and any agency or instrumentality of any of the foregoing shall neither infringe upon, harm or contest the rights of Subtenant in the Marks nor otherwise take any action to diminish the value or goodwill associated with the Marks.

#### Successor and Assigns

References to a party in the Stadium Sublease Agreement and this summary include its successors and permitted assigns.

## APPENDIX J

### Form of Bond Counsel Opinion

October 6, 2020

New York City Industrial  
Development Agency  
New York, New York

Re: \$811,255,000 New York City Industrial Development Agency  
PILOT Revenue Refunding Bonds, Series 2020A (Yankee Stadium Project)  
\$116,020,000 New York City Industrial Development Agency  
PILOT Revenue Refunding Bonds, Series 2020B  
(Yankee Stadium Project) (Federally Taxable)

---

Ladies and Gentlemen:

We have acted as bond counsel to the New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation organized and existing under the laws of the State of New York (the “Agency”), in connection with the issuance on the date hereof by the Agency of its New York City Industrial Development Agency PILOT Revenue Refunding Bonds, Series 2020A (Yankee Stadium Project) in the aggregate principal amount of \$811,255,000 (the “Series 2020A PILOT Bonds”) and its New York City Industrial Development Agency PILOT Revenue Refunding Bonds, Series 2020B (Yankee Stadium Project) (Federally Taxable) in the aggregate principal amount of \$116,020,000 (the “Series 2020B PILOT Bonds”; and, together with the Series 2020A PILOT Bonds, the “Series 2020 PILOT Bonds”). The Series 2020 PILOT Bonds are authorized to be issued pursuant to (i) Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 1082 of the 1974 Laws of the State of New York, as amended (collectively called the “Act”), (ii) a resolution of the Agency duly adopted by the Agency on July 28, 2020 (the “Resolution”), and (iii) a Master PILOT Indenture of Trust, dated as of August 1, 2006 (the “Master PILOT Indenture”), between the Agency and The Bank of New York Mellon (formerly The Bank of New York), as trustee (the “Bond Trustee”), as supplemented and amended, including as supplemented and amended by a Fourth Supplemental PILOT Indenture of Trust, dated as of September 1, 2020 (the “Fourth Supplemental PILOT Indenture” and, together with the Master PILOT Indenture as amended to date, the “PILOT Indenture”), between the Agency and the Bond Trustee, for the purpose of providing for the (A) refunding of certain outstanding New York City Industrial Development Agency PILOT Revenue Bonds, Series 2006 (Yankee Stadium Project) (the “Series 2006 PILOT Bonds”) and certain outstanding New York City Industrial Development Agency PILOT Revenue Bonds, Series 2009A (Yankee Stadium Project) (the “Series 2009 PILOT Bonds”), (B) financing of the funding of a debt service reserve fund and other reserve funds with respect to the Series 2020 PILOT Bonds, and (C) financing the payment of certain costs associated with the issuance of the Series 2020 PILOT Bonds. The proceeds of the Series 2006 PILOT Bonds and the Series 2009 PILOT Bonds financed, among other things, a portion of the costs of the design, development, acquisition, construction and equipping of a Major League Baseball stadium (the “Stadium”), located in the Borough and County of The Bronx and The City and State of New York on a parcel of land formerly comprising the northern portion of

Macomb's Dam Park and the southern portion of John Mullaly Park between River and Jerome Avenues and extending from East 161<sup>st</sup> Street to the mid-block between East 162<sup>nd</sup> and 164<sup>th</sup> Streets (the "Land").

The Land is being leased to the Agency by The City of New York (the "City") pursuant to the terms of a Ground Lease Agreement, dated as of August 1, 2006 (the "Ground Lease"), between the City and the Agency. The Land is being subleased and the Stadium is being leased to Yankee Stadium LLC, a Delaware limited liability company (the "Company"), by the Agency, pursuant to the terms of a Lease Agreement, dated as of August 1, 2006 (the "Original Lease Agreement"), between the Company and the Agency, as amended by the First Amendment to Lease Agreement, dated as of February 1, 2009 (the "First Amendment to Lease Agreement"), the Second Amendment to Lease Agreement, dated as of July 1, 2009 (the "Second Amendment to Lease Agreement"), and the Third Amendment to Lease Agreement, dated as of September 1, 2020 (the "Third Amendment to Lease Agreement"; and the Original Lease Agreement, as amended by the First Amendment to Lease Agreement, the Second Amendment to Lease Agreement and the Third Amendment to Lease Agreement, the "Lease Agreement"), between the Company and the Agency. The Company is sub-subleasing the Land and subleasing the Stadium to New York Yankees Partnership, an Ohio limited partnership (the "Partnership"), pursuant to the terms of a Stadium Sublease, dated as of August 1, 2006 (the "Original Stadium Sublease Agreement"), between the Company and the Partnership, as amended by a letter agreement dated December 31, 2008 (the "Letter Agreement") between the Company and the Partnership, as further amended by the First Amendment to Stadium Sublease, dated as of February 1, 2009 (the "First Amendment to Stadium Sublease"), the Second Amendment to Stadium Sublease, dated as of March 6, 2009 (the "Second Amendment to Stadium Sublease"), and the Third Amendment to Stadium Sublease, dated as of June 4, 2020 (the "Third Amendment to Stadium Sublease"; and, the Original Stadium Sublease Agreement, as amended by the Letter Agreement, the First Amendment to Stadium Sublease, the Second Amendment to Stadium Sublease and the Third Amendment to Stadium Sublease, the "Stadium Sublease Agreement"), by and between the Company and the Partnership. In addition, pursuant to a Non-Relocation Agreement, dated as of August 1, 2006 (the "Original Non-Relocation Agreement"), among the City, the New York State Urban Development Corporation d/b/a Empire State Development Corporation ("ESDC"), the Agency and the Partnership, as amended by the First Amendment to Non-Relocation Agreement, dated as of February 1, 2009 (the "Amendment to Non-Relocation Agreement"; and the Original Non-Relocation Agreement, as amended by the Amendment to Non-Relocation Agreement, the "Non-Relocation Agreement"), among the City, the ESDC, the Agency and the Partnership, the Partnership has agreed to cause the Team to play substantially all of its regular season home games in the Stadium until the expiration of the Lease Agreement or earlier termination of the Non-Relocation Agreement.

The Agency and the Company have entered into a certain Payment-in-Lieu-of-Tax Agreement, dated as of August 1, 2006 (the "Original PILOT Agreement"), as amended by Amendment No. 1 to Payment-in-Lieu-of-Tax Agreement dated as of January 16, 2009 and Amendment No. 2 to Payment-in-Lieu-of-Tax Agreement, dated as of February 1, 2009 (collectively, the "Amendments to PILOT Agreement", and, the Original PILOT Agreement, as amended by the Amendments to PILOT Agreement, the "PILOT Agreement") to make provision for payments by the Company in lieu of real property taxes and assessments (the "PILOTs"). Each annual obligation of the Company to pay PILOTs under the PILOT Agreement is secured by a separate Leasehold PILOT Mortgage made by the Agency and the Company to the Agency, each dated as of August 1, 2006 or February 1, 2009 (as amended and modified to date, the "PILOT Mortgages"). The PILOT Mortgages were assigned by the Agency to The Bank of New York Mellon (formerly known as The Bank of New York), as PILOT trustee (the "PILOT Trustee"), by certain Assignments of PILOT Mortgages, dated as of August 1, 2006 or February 1, 2009.

In connection with the issuance of the Series 2006 PILOT Bonds, the Agency, the Bond Trustee, the PILOT Trustee, and the City entered into a PILOT Assignment and Escrow Agreement, dated as of August 1, 2006 (the "Original PILOT Assignment"), which is being amended and restated on the date

hereof (as so amended and restated, the “Amended and Restated PILOT Assignment”), pursuant to which the Agency has assigned its rights to PILOTs under the PILOT Agreement to the PILOT Trustee, and the PILOT Trustee is required to pay a portion of the PILOTs to the Bond Trustee to pay debt service on and certain other amounts relating to all PILOT Bonds. Pursuant to the Amended and Restated PILOT Assignment, the City has acknowledged and agreed to the allocation of the PILOTs to be paid by the Company as set forth in the Amended and Restated PILOT Assignment.

In connection with the issuance of the Series 2020 PILOT Bonds, the Company, the Agency and the Bond Trustee are entering into a Continuing Disclosure Agreement dated as of September 1, 2020 (the “Continuing Disclosure Agreement”).

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Third Amended and Restated Master Glossary of Terms for the New York City Industrial Development Agency PILOT Revenue Bonds and Rental Revenue Bonds (Yankee Stadium Project), dated as of September 1, 2020 (the “Master Glossary”).

The Series 2020 PILOT Bonds are dated the date hereof and bear interest from the date hereof pursuant to the respective terms of the Series 2020 PILOT Bonds. The Series 2020 PILOT Bonds are subject to prepayment or redemption prior to maturity, as a whole or in part, at such time or times, under such circumstances and in such manner as is set forth in the Series 2020 PILOT Bonds and the PILOT Indenture.

As bond counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents (including all documents constituting the Transcript of Proceedings with respect to the issuance of the Series 2020 PILOT Bonds) as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination, with your permission, we have assumed the following: (i) the genuineness of all signatures, (ii) the authenticity of all documents submitted to us as originals, (iii) the conformity to the original documents of all documents submitted to us as copies, and (iv) except as specifically covered by the opinions set forth below, the due authorization, execution and delivery on behalf of the respective parties thereto of the documents referred to herein and the legal, valid and binding effect thereof on such parties. As to any facts material to our opinion, without having conducted any independent investigation, we have relied upon, and assumed the accuracy and truthfulness of, the aforesaid instruments, certificates and documents, including, without limitation, the representations and warranties of the parties set forth therein. We call your attention to the fact that there are certain requirements with which the Agency must comply after the date of issuance of the Series 2020A PILOT Bonds in order for the interest on the Series 2020A PILOT Bonds to remain excluded from gross income for federal income tax purposes. Copies of the aforementioned documents are included in the Transcript of Proceedings.

In addition, in rendering the opinions set forth below, we have relied upon the opinions of the General Counsel of the Agency, Meredith Jones, Esq.; and counsel to the Trustee, Papparone Law PLLC, New York, New York; each of even date herewith. Copies of the aforementioned opinions are contained in the Transcript of Proceedings.

We have also examined one of said Series 2020A PILOT Bonds and one of said Series 2020B Bonds, each as executed, and, in our opinion, the forms of said Series 2020 PILOT Bond and their execution are regular and proper.

Based upon and subject to the foregoing, and subject to the assumptions, limitations and qualifications set forth herein, we are of the opinion that:



1. The Agency is a duly organized and existing corporate governmental agency constituting a public benefit corporation of the State of New York.

2. The Agency is duly authorized to issue, execute, sell and deliver the Series 2020 PILOT Bonds, for the purposes set forth in the first paragraph herein.

3. The Agency has the right and power to enter into the Fourth Supplemental PILOT Indenture, the Third Amendment to Lease Agreement, the Master Glossary, the Amended and Restated PILOT Assignment and the Continuing Disclosure Agreement (collectively, the “2020 Documents”), and the 2020 Documents and the Official Statement related to the Series 2020 PILOT Bonds, dated September 23, 2020 (the “Official Statement”), have been duly authorized, executed and delivered by the Agency, and no other authorization by the Agency for the execution and delivery of the 2020 Documents and the Official Statement is required.

4. Assuming the due authorization, execution and delivery of the 2020 Documents by the other parties thereto and assuming that with respect to such other parties thereto no event or action impairing the enforceability of the Master PILOT Indenture, the Original Lease Agreement and the Original PILOT Escrow Assignment shall have occurred or been taken after the time of delivery thereof except the execution and delivery of the various amendments described above and the execution and delivery of the 2020 Documents, the PILOT Indenture, the Lease Agreement and the Amended and Restated PILOT Assignment (collectively, the “Amended Documents”) and the Continuing Disclosure Agreement are in full force and effect in accordance with their terms and are valid and binding upon the Agency and enforceable in accordance with their respective terms.

5. The Resolution has been duly adopted by the Agency and is in full force and effect.

6. The PILOT Indenture creates the valid pledge which it purports to create for the benefit of the holders of the Series 2020 PILOT Bonds of (i) the PILOT Revenues; (ii) the proceeds of the PILOT Bonds; (iii) all right, title and interest of the Agency in and to the Funds and Accounts under the PILOT Indenture (other than the PILOT Bonds Renewal Fund, the PILOT Bonds Rebate Fund and certain Accounts and subaccounts established within the PILOT Bonds Special Reserve Account and the PILOT Bonds Debt Service Reserve Account with respect to particular Series of PILOT Bonds), including monies and investments therein, subject only to the provisions of the PILOT Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the PILOT Indenture; and (iv) all right, title and interest of the Bond Trustee in the moneys and securities from time to time held in the Debt Service and Reimbursement Fund held by the PILOT Trustee for the Series 2020 PILOT Bonds under the PILOT Assignment.

7. The Agency has the right and power to authorize, execute and deliver the Series 2020 PILOT Bonds, and the Series 2020 PILOT Bonds have been duly and validly authorized, executed and delivered by the Agency, in accordance with law, including the Act, and in accordance with the PILOT Indenture. The Series 2020 PILOT Bonds are valid and binding special limited obligations of the Agency, are enforceable in accordance with their terms and the terms of the PILOT Indenture and are payable from moneys on deposit in the Funds and Accounts maintained under the PILOT Indenture, all as provided in the PILOT Indenture, and are entitled to the benefits of the PILOT Indenture and the Act.

8. The Series 2020 PILOT Bonds do not constitute a debt of the State of New York (the “State”) or of the City, and neither the State nor the City will be liable thereon.

9. The Internal Revenue Code of 1986 (the “Code”) sets forth certain requirements which must be met subsequent to the issuance and delivery of the Series 2020A PILOT Bonds for interest

thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2020A PILOT Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. The Agency pursuant to the PILOT Indenture and the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 (the “Tax Certificate”), and the Company and the Partnership pursuant to the Tax Certificate, have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2020A PILOT Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Agency has made certain representations and certifications in the PILOT Indenture and the Tax Certificate and the Company and the Partnership have made certain representations and certifications in the Tax Certificate. We have not independently verified the accuracy of those certifications and representations.

Under existing law, assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, interest on the Series 2020A PILOT Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

We are further of the opinion that the excess of the principal amount of a maturity of the Series 2020A PILOT Bonds over its issue price (i.e., the first price at which price a substantial amount of such maturity of the Series 2020A PILOT Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a “Discount 2020A Bond” and collectively the “Discount 2020A Bonds”) constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2020A PILOT Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount 2020A Bond and the basis of each Discount 2020A Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount 2020A Bonds, even though there will not be a corresponding cash payment. Owners of the Discount 2020A Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount 2020A Bonds.

10. Interest on the Series 2020B PILOT Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code.

11. Under existing law, the interest on the Series 2020 PILOT Bonds is exempt, by virtue of the Act, from personal income taxes imposed by the State or any political subdivision thereof (including the City).

Except as stated in the preceding five paragraphs, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of the Series 2020 PILOT Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2020 PILOT Bonds, or the interest thereon, if any action is taken with respect to the Series 2020 PILOT Bonds or the proceeds thereof upon the advice or approval of other counsel.

The foregoing opinions are qualified to the extent that the enforceability of the Amended Documents and the Continuing Disclosure Agreement may be subject to or limited by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, arrangement, moratorium or other similar laws relating to or affecting the rights of creditors generally, (ii) the application of general principles of equity

(regardless of whether such enforceability is considered in a proceeding at law or in equity), including, without limitation, (A) the possible unavailability of specific performance, injunctive relief or any other equitable remedy, (B) concepts of materiality, reasonableness, good faith and fair dealing and (C) public policy. We express no opinion with respect to the availability of any specific remedy provided for in any of the Amended Documents or the Continuing Disclosure Agreement.

The opinions expressed herein are subject to the further qualifications that the obligations of the parties under the Amended Documents and the Continuing Disclosure Agreement may be subject to possible limitations upon the exercise of remedial or procedural provisions contained in the Amended Documents or the Continuing Disclosure Agreement; provided that such limitations do not, in our opinion, make the remedies and procedures which will be afforded to the parties inadequate for the practical realization of the substantive benefits purported to be provided by the Amended Documents or the Continuing Disclosure Agreement.

We express no opinion herein regarding any financial or other information which has been or will be supplied to purchasers of the Series 2020 PILOT Bonds.

We express no opinion as to the sufficiency of the description of the Land and the Stadium in the Lease Agreement or as to title to the Land and the Stadium, or, except as stated in paragraph 6, above, as to the adequacy, perfection or priority of any lien on or any security interest in any collateral securing the Series 2020 PILOT Bonds.

Furthermore, we express no opinion with respect to whether the Agency and the Company (i) have obtained any or all necessary governmental approvals, consents or permits, or (ii) have complied with the New York Labor Law or other applicable laws, rules, regulations, orders and zoning and building codes, all in connection with the design, development, acquisition, construction, improvement, equipping, furnishing, and operation of the Stadium, the leasing of the Stadium by the Agency to the Company and the subleasing of the Stadium by the Company to the Partnership.

We are licensed to practice law under the laws of the State of New York. The opinions herein expressed are, to the extent not otherwise excluded herein, limited to the laws of the State of New York and the federal laws of the United States of America.

The opinions expressed in this letter are based upon the law in effect on the date hereof, and we assume no obligation to revise or supplement this opinion should such law be changed by legislative action, judicial decision or otherwise.

Very truly yours,

## APPENDIX K

### Continuing Disclosure Agreement

This Continuing Disclosure Agreement (this “Agreement”) dated as of September 1, 2020, among New York City Industrial Development Agency (the “Issuer”), Yankee Stadium LLC (the “Company”) and The Bank of New York Mellon, as trustee (the “Trustee”) under the Master PILOT Indenture of Trust, dated as of August 1, 2006 (the “Master PILOT Indenture”), as supplemented and amended to date including by that certain Fourth Supplemental PILOT Indenture of Trust, dated as of September 1, 2020 (the “Fourth Supplemental PILOT Indenture”, and the Master PILOT Indenture as so supplemented and amended, the “PILOT Indenture”), each by and between the Issuer and Trustee, is delivered in connection with the Issuer’s \$811,255,000 PILOT Revenue Refunding Bonds, Series 2020A (Yankee Stadium Project) (the “Series 2020A PILOT Bonds”) and \$116,020,000 PILOT Revenue Refunding Bonds, Series 2020B (Yankee Stadium Project) (Federally Taxable) (the “Series 2020B PILOT Bonds” and, together with the Series 2020A PILOT Bonds, the “PILOT Bonds”).

The parties hereto, in consideration of the mutual covenants herein contained, and other good and lawful consideration, hereby agree, as follows:

### ARTICLE I DEFINITIONS

Section 1.1 **Definitions.** Any capitalized terms not otherwise defined in this Agreement shall have the respective meanings set forth in the Third Amended and Restated Master Glossary of Terms for the New York City Industrial Development Agency’s PILOT Revenue Bonds and Rental Revenue Bonds (Yankee Stadium Project) dated as of September 1, 2020, as the same may be amended, or amended and restated, from time to time in accordance with the provisions thereof or the Official Statement of the Issuer dated September 23, 2020, prepared with respect to the PILOT Bonds (the “Official Statement”). The following terms used in this Agreement shall have the following respective meanings:

(a) **“Beneficial Owner”** means a beneficial owner of the PILOT Bonds, as described in the Official Statement.

(b) **“Company Annual Financial Information”** means annually generated data of the Company consisting of an unaudited statement of cash receipts, Ticket Sale and Suite License Proceeds and if available, audited financial statements of the Company.

(c) **“EMMA System”** means the MSRB’s Electronic Municipal Market Access System.

(d) **“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.

(e) **“Fiscal Year”** means a consecutive twelve-month period used by an entity for financial reporting and budgeting purposes. As of the date of this Agreement, the Company’s Fiscal Year begins on January 1st and ends on December 31st of the same calendar year, and the Issuer’s Fiscal Year begins on July 1st and ends on June 30th of the succeeding calendar year.

(f) **“Holders”** means the registered owners of the PILOT Bonds.

(g) “**Issuer Annual Financial Information**” means the Actual Taxes (as computed under the PILOT Agreement) with respect to the Stadium.

(h) “**Listed Event**” means any of the following events with respect to the PILOT Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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 PILOT Bonds, or other material events affecting the tax status of the PILOT Bonds;
- (vii) modifications to rights of Holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the PILOT Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Company;

**Note to subsection (h)(xii) of this Section 1.1:** For the purposes of the event described in subsection (h)(xii) of this Section 1.1, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Company 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 Company, 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 Company.

- (xiii) the consummation of a merger, consolidation, or acquisition involving the Company, or the sale of all or substantially all of the assets of the Company, 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;

- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a Financial Obligation of the Company, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Company, any of which affect Holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Company, any of which reflect financial difficulties.

(i) “**Listed Event Notice**” means written or electronic notice of a Listed Event.

(j) “**MSRB**” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

(k) “**Notice**” means written notice, sent for overnight delivery via the United States Postal Service or a private delivery service which provide evidence of delivery, or electronic notice.

(l) “**Notice Address**” means with respect to the Issuer:

The New York City Industrial Development Agency  
One Liberty Plaza  
New York, New York 10006  
Attention: General Counsel

With respect to the Company:

Yankee Stadium LLC  
One Steinbrenner Drive  
Tampa, Florida 33614  
Attention: Anthony G. Bruno, Vice President

with a copy to:

Herrick, Feinstein LLP  
2 Park Avenue  
New York, New York 10016  
Attention: Daniel A. Etna, Esq. and  
Irwin Kishner, Esq.  
Facsimile No.: (212) 545-3322

and, if the notice is a notice of default, to:

Yankee Stadium LLC  
One Steinbrenner Drive  
Tampa, Florida 33614  
Attention: Anthony G. Bruno, Vice President  
and marked "URGENT" on the envelope

with a copy to:

Herrick, Feinstein LLP  
2 Park Avenue  
New York, New York 10016  
Attention: Daniel A. Etna, Esq. and  
Irwin Kishner, Esq.  
Facsimile No.: (212) 545-3322

(m) "Rule" means the applicable provisions of Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, §240.15c2-12), as in effect on the date of this Agreement, including any official interpretations thereof.

(n) "SEC" means the United States Securities and Exchange Commission.

(o) "Securities Counsel" means legal counsel expert in federal securities law.

(p) "Underwriters" means the underwriters in connection with the primary offering of the PILOT Bonds.

## ARTICLE II THE UNDERTAKING

**Section 2.1 Purpose.** This Agreement shall constitute a written undertaking for the benefit of the Holders and the Beneficial Owners, and is being executed and delivered solely to assist the Underwriters in complying with subsection (b)(5) of the Rule.

**Section 2.2 Annual Financial Information.** (a) Commencing with the 2021 Fiscal Year, the Issuer shall provide Issuer Annual Financial Information with respect to each Fiscal Year to the MSRB through its EMMA System by no later than 180 days after the end of such Fiscal Year.

(b) Commencing with the 2020 Fiscal Year, the Company shall provide Company Annual Financial Information with respect to each Fiscal Year to the MSRB through its EMMA System by no later than 180 days after the end of such Fiscal Year.

(c) The Company shall provide, in a timely manner, notice of any failure by it to provide Company Annual Financial Information to the MSRB on or before the date required by Section 2.2(b) hereof, to the MSRB through its EMMA System.

(d) The Issuer shall provide in a timely manner, notice of any failure by it to provide Issuer Annual Financial Information to the MSRB on or before the date required by 2.2(a) hereof, to the MSRB through its EMMA System.

**Section 2.3 Listed Event Notice.** (a) The Company shall provide, in a timely manner within ten (10) business days of its occurrence, a Listed Event Notice to the MSRB through its EMMA System. Each Listed Event Notice shall be so captioned and shall prominently state the title, date and CUSIP numbers of the affected PILOT Bonds. *Notwithstanding* the foregoing, unless the Rule were to require otherwise, Listed Event Notice of Listed Events described in items (viii) and (ix) of the definition of Listed Events need not be given under this Agreement any earlier than, if applicable, the date notice is required to be given to Holders of PILOT Bonds.

(b) The Trustee shall promptly give Notice to the Issuer and the Company at each respective Notice Address whenever in the course of performing its duties as Trustee under the PILOT Indenture, the Trustee identifies a Listed Event; *provided, however*, that the failure of the Trustee so to advise the Issuer and the Company shall not constitute a breach by the Trustee of any of its duties and responsibilities under this Agreement.

**Section 2.4 Additional Information.** Nothing in this Agreement shall be deemed to prevent the Issuer or the Company from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Issuer Annual Financial Information or Company Annual Financial Information, or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer or the Company choose to include any information in any Issuer Annual Financial Information or Company Annual Financial Information, or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, neither the Issuer nor the Company shall have any obligation under this Agreement to update such information or include it in any future Issuer Annual Financial Information or Company Annual Financial Information, or notice of occurrence of a Listed Event.

### **ARTICLE III OPERATING RULES**

**Section 3.1 Fiscal Year.** Issuer Annual Financial Information and Company Annual Financial Information shall be provided at least annually, *notwithstanding* any Fiscal Year longer than 12 calendar months. The Issuer and the Company, respectively, shall promptly notify the MSRB through its EMMA System of each change in its Fiscal Year.

**Section 3.2 Incorporation by Reference.** It shall be sufficient for purposes of Section 2.2 hereof if the Issuer or the Company provide Issuer Annual Financial Information and Company Annual Financial Information, as the case may be, by specific reference to documents previously filed with the SEC or the MSRB. If such a document is a final official statement within the meaning of the Rule, it also must be available from the MSRB.

**Section 3.3 Submission of Information.** Issuer Annual Financial Information and Company Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

### **ARTICLE IV TERMINATION, AMENDMENT AND ENFORCEMENT**

**Section 4.1 Termination.** (a) The Issuer's, the Company's and the Trustee's obligations under this Agreement with respect to each series of the PILOT Bonds shall terminate upon the legal defeasance pursuant to the PILOT Indenture, prior redemption, or payment in full of all of such series of



PILOT Bonds. The Issuer shall give notice of any such termination to the MSRB through its EMMA System.

(b) This Agreement, or any provision hereof, shall be null and void to the extent set forth in the opinion of Securities Counsel described in clause (1) below in the event that either of the Issuer or the Company (1) delivers to the Trustee an opinion of Securities Counsel, addressed to the Issuer, the Company and the Trustee, to the effect that those portions of the Rule which require the provisions of this Agreement, or any of such provisions, do not or no longer apply to any or all of the PILOT Bonds, whether because such portions of the Rules are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers notice to such effect to the MSRB through its EMMA System.

**Section 4.2 Amendment.** (a) This Agreement may be amended by written agreement of the parties, and any provision of this Agreement may be waived in writing, in either case without the consent of the Holders or Beneficial Owners, except to the extent required pursuant to clause 4.2(ii) below, if all of the following conditions are satisfied: (1) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Issuer or the type of business conducted thereby, (2) this Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of the Official Statement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) either of the Issuer or the Company shall have delivered to the Trustee an opinion of Securities Counsel, addressed to the Issuer, the Company and the Trustee, to the same effect as set forth in clause (2) above, (4) either (i) a party unaffiliated with either of the Issuer or the Company (such as the Trustee or Securities Counsel), acceptable to either of the Issuer or the Company and the Trustee, has determined that the amendment or waiver does not materially impair the interests of the Beneficial Owners, or (ii) the Holders consent to the amendment or waiver of this Agreement pursuant to the same procedures as are required for amendments to the PILOT Indenture with consent of Holders, and (5) either of the Issuer or the Company shall have delivered copies of such amendment or waiver to the MSRB through its EMMA System.

(b) In addition to clause (a) above, this Agreement may be amended by written agreement of the parties, and any provision of this Agreement may be waived in writing, in either case without the consent of the Holders or Beneficial Owners, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Agreement, and is applicable to this Agreement, (2) the Trustee shall have received an opinion of Securities Counsel, addressed to the Issuer, the Company and the Trustee, to the effect that the execution, performance and effect of such amendment or waiver would not, in and of themselves, result in a violation of the Rule, taking into account any subsequent change in or official interpretation of the Rule, and (3) either of the Issuer or the Company shall have delivered copies of such amendment or waiver to the MSRB through its EMMA System.

(c) To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Company Annual Financial Information or the first Issuer Annual Financial Information, as the case may be, provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change.

(d) If an amendment is made to the basis on which financial statements are prepared, the Issuer Annual Financial Information and/or Company Annual Financial Information, as applicable, for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible,

quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

**Section 4.3 Benefit; Third-Party Beneficiaries; Enforcement.** (a) The provisions of this Agreement shall inure solely to the benefit of the parties hereto and the Holders from time to time; *except* that Beneficial Owners shall be third-party beneficiaries of this Agreement.

(b) *Except* as provided in this subsection (b), the provisions of this Agreement shall create no rights in any other person or entity. Except as limited by the two succeeding sentences, the obligation of either of the Issuer or the Company to comply with the provisions of this Agreement shall be enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any Beneficial Owner of Outstanding PILOT Bonds, or by the Trustee on behalf of the Holders of Outstanding PILOT Bonds, or (ii), in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the Trustee on behalf of the Holders of Outstanding PILOT Bonds or by any Beneficial Owner. A Beneficial Owner may not take any enforcement action pursuant to clause (ii) without the consent of the Holders of not less than a majority in aggregate principal amount of the PILOT Bonds at the time Outstanding. The Trustee shall not be required to take any enforcement action *except* at the direction of the Holders of not less than a majority in aggregate principal amount of the PILOT Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity.

(c) The Beneficial Owners', the Holders' and the Trustee's right to enforce the provisions of this Agreement shall be limited to a right, by action in mandamus or for specific performance, in the Federal or State courts located in the Borough of Manhattan, State and City of New York, to compel performance of the Issuer's or the Company's obligations under this Agreement. Any failure by any of the Issuer, the Company or the Trustee to perform in accordance with this Agreement shall not constitute a default or any Event of Default under the PILOT Indenture, and the rights and remedies provided by the PILOT Indenture upon the occurrence of a default or an Event of Default shall not apply to any such failure.

## **ARTICLE V MISCELLANEOUS**

**Section 5.1 Duties, Immunities and Liabilities of Trustee.** The Trustee shall have only such duties under this Agreement as are specifically set forth in this Agreement, and the Issuer agrees to indemnify and save, but solely from PILOT Revenues, the Trustee, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Trustee's negligence or misconduct in the performance of its duties hereunder.

**Section 5.2 Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 5.3 Governing Law.** This Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State, *provided that*, to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be executed by their duly authorized representatives, all as of the date first above written.

**NEW YORK CITY INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Name: Krishna Omolade  
Title: Executive Director

**YANKEE STADIUM LLC**

By: \_\_\_\_\_  
Name: Anthony G. Bruno  
Title: Vice President

**THE BANK OF NEW YORK MELLON**

By: \_\_\_\_\_  
Name:  
Title:

## APPENDIX L

### Bonds to be Refunded/Bonds to be Defeased

#### Bonds to be Refunded

The Issuer expects to redeem the bonds listed below, on the date indicated, at a price of 100% of the outstanding principal amount thereof plus accrued interest to the date of redemption:

Series 2006 PILOT Bonds				
Maturity (March 1)	Principal Amount	Interest Rate	Redemption Date	CUSIP*
2028	\$ 1,555,000	4.375%	October 26, 2020	64971PFD2
2031	91,235,000	5.000	October 26, 2020	64971PFE0
2036	146,020,000	5.000	October 26, 2020	64971PFF7
2039	106,425,000	4.500	October 26, 2020	64971PFG5
2046	238,000,000	5.000	October 26, 2020	64971PFH3
2046	79,435,000	4.750	October 26, 2020	64971PFJ9

Series 2009 PILOT Bonds				
Maturity (March 1)	Principal Amount	Interest Rate	Redemption Date	CUSIP*
2049	\$191,960,000	7.000%	October 26, 2020	64971PJA4

\* CUSIP® numbers are provided for convenience of reference only. None of the Issuer, the Company, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP numbers set forth above are as of the date of issuance of the respective bonds; the CUSIP number for any specific maturity may have changed as a result of various subsequent actions including, but not limited to, the procurement of secondary market portfolio insurance or other similar enhancement by investors.

## Bonds to be Defeased

The Issuer expects to legally defease the Series 2009 PILOT Bonds to their respective maturity dates:

Series 2009 PILOT Bonds				
Maturity (March 1)	Original Par Amount <sup>(1)</sup>	Accreted Value at Maturity	Approximate Yield to Maturity	CUSIP*
2021	\$3,216,231	\$10,150,000	6.410%	64971PGX7
2022	2,926,994	10,160,000	6.600	64971PGY5
2023	2,662,518	10,165,000	6.790	64971PGZ2

---

\* CUSIP® numbers are provided for convenience of reference only. None of the Issuer, the Company, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP numbers set forth above are as of the date of issuance of the respective bonds; the CUSIP number for any specific maturity may have changed as a result of various subsequent actions including, but not limited to, the procurement of secondary market portfolio insurance or other similar enhancement by investors.

<sup>(1)</sup> Par amounts are rounded.

## APPENDIX M

### Book-Entry-Only System

*General.* The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2020 PILOT Bonds. The Series 2020 PILOT Bonds will be issued as fully registered securities in the name of Cede & Co. (DTC’s partnership nominee). One fully-registered Series 2020 PILOT Bond will be issued for each maturity of each issue of the Series 2020 PILOT Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

*DTC and its Participants.* DTC, the world’s largest securities 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 arrangement eliminates the need for physical movement of the Series 2020 PILOT Bonds. 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](http://www.dtcc.com). The rules applicable to DTC and its Direct Participants and Indirect Participants are on file with the Securities and Exchange Commission.

*Purchase of Ownership Interests.* Purchases of Series 2020 PILOT Bonds under the DTC system must be made by or through Direct Participants, which will receive credit for the Series 2020 PILOT Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (for the purposes of this APPENDIX M, a “*Beneficial Owner*”) is in turn to be recorded on the Direct and Indirect Participant records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020 PILOT Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Series 2020 PILOT Bonds representing their ownership interests in Series 2020 PILOT Bonds, except in the event that use of the Book-Entry System for the Series 2020 PILOT Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 PILOT Bonds deposited by Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of Series 2020 PILOT Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 PILOT Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2020

PILOT Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

*Notices and Other Communications.* 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the Series 2020 PILOT Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer 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 Series 2020 PILOT Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

*Principal and Interest Payments.* Principal of and interest payments on the Series 2020 PILOT Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payment date. Payments by 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 Participant and not of DTC, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

*Discontinuance of Book-Entry System.* DTC may discontinue providing its services as securities depository with respect to the Series 2020 PILOT Bonds at any time by giving reasonable notice to the Issuer. Under such circumstances, in the event that a successor securities depository is not obtained, the Series 2020 PILOT Bonds are required to be printed and delivered.

*Use of Certain Terms in Other Sections of the Official Statement.* In reviewing this Official Statement it should be understood that while the Series 2020 PILOT Bonds are in the Book-Entry System, references in other Sections of this Official Statement to owners or holders should be read to include the person for whom the Participant acquires an interest in the Series 2020 PILOT Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry System and (ii) notices that are to be given to owners or holders by the Issuer will be given only to DTC. DTC will forward (or cause to be forwarded) the notices of the Participants by its usual procedures so that such Participants may forward (or cause to be forwarded) such notices to the Beneficial Owners.

*DTC and Book-Entry Information.* Information concerning DTC and the Book-Entry System contained in this Official Statement has been obtained from DTC and other sources that the Issuer and the Underwriters believe to be reliable, and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters or the Issuer.

Neither the Issuer nor the Underwriters will have any responsibility or obligation to Direct Participants, to Indirect Participants or to Beneficial Owners with respect to (i) the accuracy of any records maintained by the DTC, any Direct Participants or Indirect Participants, (ii) the payment by DTC, any Direct Participants or any Indirect Participants of any amount in respect of principal of or interest on the Series 2020 PILOT Bonds, (iii) any notice which is permitted or required to be given to owners

(except such notice as is required to be given by the Issuer to DTC), (iv) any consent given or other action taken by DTC as Owner of the Series 2020 PILOT Bonds or (v) any other event or purpose.



[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX N**

**Specimen Municipal Bond Insurance Policy**

[THIS PAGE INTENTIONALLY LEFT BLANK]



# MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By \_\_\_\_\_  
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.  
1633 Broadway, New York, N.Y. 10019  
(212) 974-0100

Form 500NY (5/90)



