

NEW ISSUES

In the opinion of Bond Counsel, interest on the Series 2010 H and I Bonds will be exempt from personal income taxes imposed by the State of New York (the "State") or any political subdivision thereof, including The City of New York (the "City"), and assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended, as described herein, interest on the Series 2010 H Bonds and the Subseries I-2 Bonds will not be includable in the gross income of the owners thereof for federal income tax purposes. Interest on the Subseries I-1 Bonds will be includable in gross income for federal income tax purposes. See "SECTION III: TAX MATTERS" herein for further information.



\$399,995,000

New York City Transitional Finance Authority Future Tax Secured Bonds Fiscal 2010

\$47,800,000 Series H
Tax-Exempt Subordinate Bonds

\$19,745,000 Subseries I-1
Taxable Subordinate Bonds

\$332,450,000 Subseries I-2
Tax-Exempt Subordinate Bonds

Dated: Date of Delivery

Due: November 1, as shown on inside cover page

The Future Tax Secured Tax-Exempt Subordinate Bonds, Fiscal 2010 Series H (the "Series 2010 H Bonds"), the Future Tax Secured Taxable Subordinate Bonds, Fiscal 2010 Subseries I-1 (the "Subseries I-1 Bonds"), and the Future Tax Secured Tax-Exempt Subordinate Bonds, Fiscal 2010 Subseries I-2 (the "Subseries I-2 Bonds" and, together with the Subseries I-1 Bonds, the "Series 2010 I Bonds"), are being issued by the New York City Transitional Finance Authority (the "Authority") pursuant to the New York City Transitional Finance Authority Act, as amended (the "Act"), and the Amended and Restated Original Indenture, to be dated June 4, 2010, as supplemented (the "Indenture"), by and between the Authority and The Bank of New York Mellon, New York, New York as Trustee (the "Trustee").

In addition to the Series 2010 H Bonds and the Series 2010 I Bonds (collectively the "Series 2010 H and I Bonds"), the Authority expects to issue its \$342,100,000 Future Tax Secured Taxable Subordinate Bonds (Build America Bonds), Fiscal 2010 Subseries G-1 (the "Subseries G-1 Bonds"), \$77,900,000 Future Tax Secured Taxable Subordinate Bonds (Build America Bonds), Fiscal 2010 Subseries G-2 (the "Subseries G-2 Bonds"), \$250,000,000 Future Tax Secured Taxable Subordinate Bonds (Qualified School Construction Bonds), Fiscal 2010 Subseries G-3 (the "Subseries G-3 Bonds"), and \$70,000,000 Future Tax Secured Taxable Subordinate Bonds, Fiscal 2010 Subseries G-4 (the "Subseries G-4 Bonds" and, together with the Subseries G-1 Bonds, the Subseries G-2 Bonds and the Subseries G-3 Bonds, the "Series 2010 G Fixed Rate Bonds"). The Series 2010 G Fixed Rate Bonds and the Series 2010 H and I Bonds will be issued as fixed rate bonds (collectively, the "Fixed Rate Bonds"). The Series 2010 G Fixed Rate Bonds are offered by a separate offering circular. In addition to the Fixed Rate Bonds, the Authority expects to issue its \$150,000,000 Future Tax Secured Tax-Exempt Subordinate Bonds (Adjustable Rate Bonds), Fiscal 2010 Subseries G-5 and \$100,000,000 Future Tax Secured Tax-Exempt Subordinate Bonds (Adjustable Rate Bonds), Fiscal 2010 Subseries G-6 (collectively, the "Adjustable Rate Bonds"). The Adjustable Rate Bonds will be offered by a separate offering circular.

The Series 2010 H and I Bonds will be issued as Parity Debt (defined herein). Interest on and principal of the Series 2010 H and I Bonds are payable from Tax Revenues of the Authority subordinate to Senior Debt Service and operating expenses of the Authority and on a parity with the Authority's Recovery Obligations and Subordinate Bonds issued on a parity with the Authority's Recovery Obligations. See "SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS" under "INCLUSION BY SPECIFIC REFERENCE." Provided the statutory and contractual conditions are met, other Series of Bonds senior to or on a parity with the Series 2010 H and I Bonds may be issued. See "SECTION V: THE AUTHORITY—Other Authority Obligations."

Pursuant to the Act, the Series 2010 H and I Bonds are payable from the Tax Revenues of the Authority derived from collections of personal income taxes and of sales and compensating use taxes imposed by the City. Such taxes are imposed pursuant to statutes enacted by the State. See "SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS" under "INCLUSION BY SPECIFIC REFERENCE."

The Series 2010 H and I Bonds will be issued only in fully registered form, registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"). Purchasers will not receive physical delivery of the Series 2010 H and I Bonds. Principal, redemption price and interest will be payable to DTC by the Trustee. Disbursement of such payments to DTC Participants is the responsibility of DTC, and disbursements to the purchasers of the Series 2010 H and I Bonds are the responsibility of the DTC Participants.

Purchases of the Series 2010 H and I Bonds will be made in book-entry form in denominations of \$5,000 and whole multiples thereof. Interest on the Series 2010 H and I Bonds accrues from the dated date, and is payable on each May 1 and November 1, commencing November 1, 2010.

The Series 2010 H and I Bonds are subject to redemption prior to maturity as described herein.

THE SERIES 2010 H AND I BONDS ARE PAYABLE SOLELY FROM AND SECURED BY A LIEN ON TAX REVENUES OF THE AUTHORITY AND CERTAIN ACCOUNTS HELD BY THE TRUSTEE. THE SERIES 2010 H AND I BONDS ARE NOT A DEBT OF EITHER THE STATE OR THE CITY, AND NEITHER THE STATE NOR THE CITY SHALL BE LIABLE THEREON, NOR SHALL THE SERIES 2010 H AND I BONDS BE PAYABLE OUT OF ANY FUNDS OTHER THAN TAX REVENUES OF THE AUTHORITY AND CERTAIN ACCOUNTS HELD BY THE TRUSTEE.

The Series H Bonds and the Subseries I-2 are offered to the public, subject to prior sale, when, as and if issued by the Authority and accepted by the Underwriters. The Subseries I-1 Bonds have been offered pursuant to a competitive bid process.

The issuance of the Series 2010 H and I Bonds is subject to the approval of legality of the Series 2010 H and I Bonds and certain other matters by Sidley Austin LLP, New York, New York, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by the New York City Corporation Counsel and Orrick, Herrington & Sutcliffe LLP, Special Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Underwriters and the Initial Purchaser by their counsel, Winston & Strawn LLP, New York, New York. It is expected that the Series 2010 H and I Bonds will be available for delivery to DTC in New York, New York, on or about June 4, 2010.

Barclays Capital
J.P. Morgan
Cabrera Capital Markets, Inc.
Jefferies & Company
Ramirez & Co., Inc.
Siebert Brandford Shank & Co. LLC
Morgan Keegan & Company, Inc.
RBC Capital Markets

BofA Merrill Lynch
Citi
Fidelity Capital Markets
Loop Capital Markets LLC
Rice Financial Products Company
Oppenheimer & Co., Inc.
Southwest Securities, Inc.
Stone & Youngberg

Goldman, Sachs & Co.
Morgan Stanley
Jackson Securities
M.R. Beal & Company
Roosevelt and Cross Incorporated
Wells Fargo Bank, National Association
Raymond James & Associates, Inc.
Stifel Nicolaus

May 19, 2010

\$47,800,000

Series H Tax-Exempt Subordinate Bonds

<u>Due</u> <u>November 1,</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Number⁽¹⁾</u>
2010	\$3,225,000	1½%	0.30%	64971MT51
2011	3,085,000	2½	0.51	64971MT69
2012	3,085,000	3	0.95	64971MT77
2013	3,085,000	2	1.33	64971MT85
2014	3,085,000	3	1.75	64971MT93
2015	4,605,000	2½	2.14	64971MU26
2016	4,605,000	2½	2.52	64971MU34
2017	4,605,000	3	2.82	64971MU42
2018	4,605,000	3	3.01	64971MU59
2019	4,605,000	3¼	3.20	64971MU67
2020 ⁽²⁾	4,605,000	3¾	3.35	64971MU75
2021 ⁽²⁾	4,605,000	3½	3.45	64971MU83

\$19,745,000

Subseries I-1 Taxable Subordinate Bonds

<u>Due November 1,</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Number⁽¹⁾</u>
2011	\$19,745,000	2½%	0.60%	64971MR79

\$332,450,000

Subseries I-2 Tax-Exempt Subordinate Bonds

<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Number⁽¹⁾</u>
\$ 990,000	2%	0.51%	64971MU91
6,600,000	4	0.95	64971MV25
12,675,000	5	0.95	64971MX23
935,000	3	0.95	64971MY71
2,515,000	4	1.33	64971MV33
14,605,000	5	1.33	64971MX31
3,090,000	2	1.33	64971MY89
3,825,000	4	1.75	64971MV41
16,385,000	5	1.75	64971MX49
8,400,000	4	2.14	64971MV58
20,255,000	5	2.14	64971MX56
1,530,000	2½	2.14	64971MY97
9,745,000	4	2.52	64971MV66
18,910,000	5	2.52	64971MX64
1,530,000	2½	2.52	64971MZ21
5,925,000	4	2.82	64971MV74
12,170,000	5	2.82	64971MX72
2,115,000	3	2.82	64971MZ39
6,050,000	4	3.01	64971MV82
21,725,000	5	3.01	64971MX80
2,410,000	3	3.01	64971MZ47
6,295,000	4	3.20	64971MV90
23,425,000	5	3.20	64971MX98
465,000	3¼	3.20	64971MZ54
11,380,000	4	3.35	64971MW24
18,805,000	5	3.35	64971MY22
1,230,000	4	3.45	64971MW32
28,030,000	5	3.45	64971MY30
1,235,000	4	3.54	64971MW40
15,080,000	5	3.54	64971MY48
660,000	4	3.61	64971MW57
23,710,000	5	3.61	64971MY55
145,000	4	3.70	64971MW65
6,840,000	5	3.70	64971MY63
7,330,000	5	3.76	64971MW73
7,695,000	5	3.81	64971MW81
3,345,000	4	3.88	64971MW99
4,395,000	5	3.88	64971MZ62

⁽¹⁾ Copyright, American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2010 H and I Bonds and none of the Authority, the Underwriters or the Initial Purchaser makes any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2010 H and I 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 2010 H and I Bonds.

⁽²⁾ Priced to first call on May 1, 2020.

Certain information in this Offering Circular has been provided by the City and other sources considered by the Authority to be reliable. All estimates and assumptions contained herein are believed to be reliable, but no representation is made that such estimates or assumptions are correct or will be realized. No dealer, broker, salesperson or other person has been authorized by the Authority, the Underwriters or the Initial Purchaser to give any information or to make any representation with respect to the Series 2010 H and I Bonds, other than those contained in this Offering Circular, and if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof. This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2010 H and I Bonds, by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The Underwriters and the Initial Purchaser have reviewed the information in this Offering Circular in accordance with their responsibilities to investors under the securities laws as applied to the facts and circumstances of this transaction, but the Underwriters and the Initial Purchaser do not guaranty the accuracy or completeness of such information.

This Offering Circular includes forecasts, projections and estimates that are based on expectations and assumptions which existed at the time such forecasts, projections and estimates were prepared. In light of the important factors that may materially affect economic conditions in the City and the amount of Tax Revenues (as defined herein), the inclusion in this Offering Circular of such forecasts, projections and estimates should not be regarded as a representation by the Authority, the Underwriters or the Initial Purchaser that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results.

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

THE SERIES 2010 H AND I BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY BODY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

MARKS PANETH & SHRON LLP, THE AUTHORITY’S INDEPENDENT AUDITOR, HAS NOT REVIEWED, COMMENTED ON OR APPROVED, AND IS NOT ASSOCIATED WITH, THIS OFFERING CIRCULAR. THE REPORT OF MARKS PANETH & SHRON LLP RELATING TO THE AUTHORITY’S FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2009 AND 2008, WHICH IS A MATTER OF PUBLIC RECORD, IS INCLUDED IN THIS OFFERING CIRCULAR. HOWEVER, MARKS PANETH & SHRON LLP HAS NOT PERFORMED ANY PROCEDURES ON ANY FINANCIAL STATEMENTS OR OTHER FINANCIAL INFORMATION OF THE AUTHORITY, INCLUDING WITHOUT

LIMITATION ANY OF THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR, SINCE THE DATE OF SUCH REPORT AND HAS NOT BEEN ASKED TO CONSENT TO THE INCLUSION OF ITS REPORT IN THIS OFFERING CIRCULAR.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS, WITH RESPECT TO THE SERIES 2010 H BONDS AND THE SUBSERIES I-2 BONDS, AND INITIAL PURCHASER, WITH RESPECT TO THE SUBSERIES I-1 BONDS, MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES 2010 H AND I BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

**OFFERING CIRCULAR
OF
NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY**

INTRODUCTORY STATEMENT

This Offering Circular of the New York City Transitional Finance Authority (the “Authority”) sets forth information concerning the Authority in connection with the sale of the following Bonds by the Authority:

\$47,800,000 Future Tax Secured Tax-Exempt Subordinate Bonds, Fiscal 2010 Series H (the “Series 2010 H Bonds”);

\$19,745,000 Future Tax Secured Taxable Subordinate Bonds, Fiscal 2010 Subseries I-1 (the “Subseries I-1 Bonds”); and

\$332,450,000 Future Tax Secured Tax-Exempt Subordinate Bonds, Fiscal 2010 Subseries I-2 (the “Subseries I-2 Bonds” and, together with the Subseries I-1 Bonds, the “Series 2010 I Bonds”).

In addition to the Series 2010 H Bonds and the Series 2010 I Bonds (collectively the “Series 2010 H and I Bonds”), the Authority expects to issue its \$342,100,000 Future Tax Secured Taxable Subordinate Bonds (Build America Bonds), Fiscal 2010 Subseries G-1 (the “Subseries G-1 Bonds”); \$77,900,000 Future Tax Secured Taxable Subordinate Bonds (Build America Bonds), Fiscal 2010 Subseries G-2 (the “Subseries G-2 Bonds”); \$250,000,000 Future Tax Secured Taxable Subordinate Bonds (Qualified School Construction Bonds), Fiscal 2010 Subseries G-3 (the “Subseries G-3 Bonds”); and \$70,000,000 Future Tax Secured Taxable Subordinate Bonds, Fiscal 2010 Subseries G-4 (the “Subseries G-4 Bonds” and, together with the Subseries G-1 Bonds, the Subseries G-2 Bonds and the Subseries G-3 Bonds, the “Series 2010 G Fixed Rate Bonds”). The Series 2010 G Fixed Rate Bonds are offered by a separate Offering Circular. The Series 2010 G Fixed Rate Bonds and the Series 2010 H and I Bonds will be issued as fixed rate bonds (collectively, the “Fixed Rate Bonds”).

In addition to the Fixed Rate Bonds, the Authority also expects to issue its \$150,000,000 Future Tax Secured Tax-Exempt Subordinate Bonds (Adjustable Rate Bonds), Fiscal 2010 Subseries G-5, and \$100,000,000 Future Tax Secured Tax-Exempt Subordinate Bonds (Adjustable Rate Bonds), Fiscal 2010 Subseries G-6 (collectively, the “Adjustable Rate Bonds”). The Adjustable Rate Bonds are offered by a separate offering circular. The Fixed Rate Bonds and the Adjustable Rate Bonds are sometimes collectively referred to herein as the “Series G, H and I Bonds.” Portions of the Authority’s Offering Circular, dated May 18, 2010, relating to the Series 2010 G Fixed Rate Bonds (the “Series 2010 G Fixed Rate Offering Circular”) are included herein by specific reference. See “SECTION I: INCLUSION BY SPECIFIC REFERENCE.”

The Authority is a corporate governmental agency constituting a public benefit corporation and an instrumentality of the State of New York (the “State”) created by the New York City Transitional Finance Authority Act, as amended (the “Act”). The Series 2010 H and I Bonds are being issued pursuant to the Act and the Amended and Restated Original Indenture to be dated June 4, 2010, as supplemented (the “Indenture”), by and between the Authority and The Bank of New York Mellon, New York, New York, as Trustee (the “Trustee”). The Authority and The City of New York (the “City”) entered a Financing Agreement (the “Agreement”), dated October 1, 1997, as amended, supplemented and in effect from time to time, which provides for the application of the Authority’s Bond proceeds to fund capital expenditures of the City and Recovery Costs and includes various covenants of the City. A summary of certain provisions of the Indenture and the Agreement, together with certain defined terms used therein and in this Offering Circular, is contained in “APPENDIX A—SUMMARY OF INDENTURE AND AGREEMENT” under “SECTION I: INCLUSION BY SPECIFIC REFERENCE.”

The Series 2010 H and I Bonds are payable from Tax Revenues of the Authority which are derived from Personal Income Tax Revenues and Sales Tax Revenues (each as defined herein) subordinate to Senior Debt Service and operating expenses of the Authority and on a parity with the Authority's Recovery Obligations and Subordinate Bonds issued on a parity with the Authority's Recovery Obligations. See "SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS" under "SECTION I: INCLUSION BY SPECIFIC REFERENCE."

The factors affecting the Authority and the Series 2010 H and I Bonds described throughout this Offering Circular are complex and are not intended to be described in this Introductory Statement. This Offering Circular (including the information referred to in "SECTION I: INCLUSION BY SPECIFIC REFERENCE") should be read in its entirety.

SECTION I: INCLUSION BY SPECIFIC REFERENCE

Portions of the Authority's Series 2010 G Fixed Rate Offering Circular delivered herewith relating to the Series 2010 G Fixed Rate Bonds, subject to the information contained elsewhere herein, are included herein by specific reference, namely the information under the captions:

SECTION I:	INTRODUCTION
SECTION II:	SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS
SECTION III:	ECONOMIC AND DEMOGRAPHIC INFORMATION
SECTION V:	THE AUTHORITY
SECTION VI:	LITIGATION
SECTION IX:	APPROVAL OF LEGALITY
SECTION X:	FINANCIAL ADVISORS
SECTION XI:	FINANCIAL STATEMENTS
SECTION XIV:	LEGAL INVESTMENT
SECTION XV:	MISCELLANEOUS
APPENDIX A:	SUMMARY OF INDENTURE AND AGREEMENT
APPENDIX B:	FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
APPENDIX C:	PROPOSED FORM OF BOND COUNSEL OPINION

The Series 2010 G Fixed Rate Bonds described in the Series 2010 G Fixed Rate Offering Circular are not offered by this Offering Circular.

SECTION II: THE SERIES 2010 H AND I BONDS

General

The Series 2010 H and I Bonds will be dated the date of delivery, will bear interest at the rates and will mature on the dates as set forth on the inside cover page of this Offering Circular unless redeemed prior to maturity if subject to redemption. All of the Series 2010 H and I Bonds will be issued in book-entry only form. Interest on and principal of Series 2010 H and I Bonds are payable from Tax Revenues of the Authority subordinate to the payment of Senior Debt Service and operating expenses of the Authority. See “SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS” under “SECTION I: INCLUSION BY SPECIFIC REFERENCE.”

The Series 2010 H and I Bonds will be issued in denominations of \$5,000 or any integral multiple thereof, and will bear interest at a fixed rate calculated on the basis of a 360-day year of 30-day months at the rates set forth on the inside cover page.

Optional Redemption

Optional Redemption of Series 2010 H Bonds and Subseries I-2 Bonds

The Series 2010 H Bonds and the Subseries I-2 Bonds maturing on or before November 1, 2019 are not subject to redemption prior to maturity. The Series 2010 H Bonds and the Subseries I-2 Bonds maturing after November 1, 2019 are subject to redemption prior to maturity on 30 days’ notice, beginning on May 1, 2020 at the option of the Authority in whole or in part at any time, at a price of 100% of their principal amount plus accrued interest to the redemption date. The Authority expects that such Series 2010 H and I Bonds escrowed to maturity in the future will remain subject to optional redemption by the Authority.

Make-Whole Optional Redemption of the I-1 Bonds

The Subseries I-1 Bonds are subject to make-whole optional redemption prior to their stated maturity dates at the option of the Authority, in whole or in part on any date at a redemption price equal to the greater of:

- (1) the issue price set forth on the inside cover hereof (but not less than 100% of the principal amount) of such Subseries I-1 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 Subseries I-1 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Subseries I-1 Bonds are to be redeemed, discounted to the date on which such Subseries I-1 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 (defined herein) plus 15 basis points,

plus, in each case, accrued interest on such Subseries I-1 Bonds to be redeemed to the redemption date.

“Treasury Rate” means, with respect to any redemption date for a particular Bond, the yield to maturity as of such redemption date 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 date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Bond to be redeemed, provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Notice of Redemption; Selection of Bonds to be Redeemed

Upon receipt of notice from the Authority of its election to redeem the Series 2010 H and I Bonds, the Trustee is to give notice of such redemption by mail to the Holders of such Series 2010 H and I Bonds to be redeemed not less than 30 days or more than 60 days prior to the date set for redemption. Failure by a particular holder to receive notice, or any defect in the notice to such holder, will not affect the redemption of any other Bond.

The particular maturities of Series 2010 H and I Bonds to be redeemed at the option of the Authority will be determined by the Authority in its sole discretion. Any redemption of less than all of a maturity of Series 2010 H and I Bonds shall be selected by lot or by any other method reasonably acceptable to the Trustee.

If the Series 2010 H and I Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the Series 2010 H and I Bonds, partial redemptions of a maturity will be done in accordance with DTC procedures. It is the Authority's intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Authority and the Beneficial Owners be made in accordance with these same proportional provisions. However, the Authority can provide no assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions among Beneficial Owners on such a proportional basis.

Defeasance

The Series 2010 H and I Bonds are subject to legal defeasance in accordance with the Indenture. As a condition to legal defeasance of any of the Series 2010 H and I Bonds, the Authority must obtain an opinion of counsel to the effect that the owners thereof will not recognize income, gain or loss for federal income tax purposes as a result of such legal defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred. See "APPENDIX A—SUMMARY OF INDENTURE AND AGREEMENT—The Indenture—*Defeasance*" under "SECTION I: INCLUSION BY SPECIFIC REFERENCE."

Debt Service Requirements

The following schedule sets forth, for each 12-month period ending June 30 of the years shown, the amounts required to be paid by the Authority for the payment of debt service, including Sinking Fund Requirements for the Subseries G-3 Bonds but not principal of the Subseries G-3 Bonds, on all Outstanding Future Tax Secured Bonds (including the Fixed Rate Bonds and the Adjustable Rate Bonds expected to be issued concurrently with the issuance of the Fixed Rate Bonds) during such period.

	Outstanding Future Tax Secured Bonds Debt Service		Series G, H and I Bonds Debt Service			Total Future Tax Secured Bonds Debt Service		
	Senior Debt Service ⁽¹⁾	Subordinate Debt Service ⁽²⁾	Principal and Sinking Fund Installments ⁽³⁾	Interest ⁽⁴⁾	Total	Senior Debt Service ⁽¹⁾	Subordinate Debt Service ⁽²⁾⁽³⁾⁽⁴⁾	Total
2011	\$601,224,806	\$493,540,669	\$ 3,225,000	\$59,226,703	\$ 62,451,703	\$601,224,806	\$555,992,372	\$1,157,217,178
2012	537,826,456	700,497,279	47,690,000	64,886,688	112,576,688	537,826,456	813,073,968	1,350,900,424
2013	580,106,589	755,826,728	47,480,000	63,843,538	111,323,538	580,106,589	867,150,267	1,447,256,856
2014	558,355,895	751,658,826	47,960,000	62,494,413	110,454,413	558,355,895	862,113,239	1,420,469,134
2015	537,666,186	745,066,877	51,075,000	60,828,256	111,903,256	537,666,186	856,970,133	1,394,636,319
2016	499,215,475	742,538,804	63,380,000	58,694,170	122,074,170	499,215,475	864,612,974	1,363,828,449
2017	536,206,390	736,128,448	64,355,000	56,324,939	120,679,939	536,206,390	856,808,387	1,393,014,777
2018	493,551,521	760,056,629	55,455,000	53,926,782	109,381,782	493,551,521	869,438,411	1,362,989,932
2019	513,417,310	709,989,824	65,870,000	52,179,868	118,049,868	513,417,310	828,039,692	1,341,457,001
2020	510,362,020	705,098,429	66,340,000	50,133,080	116,473,080	510,362,020	821,571,510	1,331,933,530
2021	492,556,371	662,868,954	67,195,000	48,156,479	115,351,479	492,556,371	778,220,432	1,270,776,804
2022	482,923,604	640,504,357	66,430,000	46,298,107	112,728,107	482,923,604	753,232,464	1,236,156,068
2023	491,190,143	593,933,171	49,090,000	44,805,469	93,895,469	491,190,143	687,828,640	1,179,018,783
2024	492,252,773	416,938,046	57,360,000	43,502,319	100,862,319	492,252,773	517,800,366	1,010,053,139
2025	512,801,280	327,072,038	40,200,000	42,416,219	82,616,219	512,801,280	409,688,257	922,489,537
2026	529,118,007	288,863,897	40,785,000	41,741,569	82,526,569	529,118,007	371,390,466	900,508,474
2027	544,081,428	265,471,279	41,400,000	41,036,444	82,436,444	544,081,428	347,907,723	891,989,152
2028	506,175,267	255,241,132	54,625,000	27,157,794	81,782,794	506,175,267	337,023,927	843,199,194
2029	401,484,990	218,811,407	49,020,000	24,521,081	73,541,081	401,484,990	292,352,488	693,837,479
2030	268,884,817	218,389,376	51,290,000	21,947,869	73,237,869	268,884,817	291,627,245	560,512,061
2031	184,143,733	217,981,996	53,690,000	19,254,237	72,944,237	184,143,733	290,926,233	475,069,965
2032	116,169,044	161,133,667	56,140,000	16,433,292	72,573,292	116,169,044	233,706,959	349,876,003
2033	77,102,861	160,861,695	58,755,000	13,476,556	72,231,556	77,102,861	233,093,251	310,196,112
2034	7,671,675	160,594,307	24,770,000	10,440,222	35,210,222	7,671,675	195,804,529	203,476,204
2035		160,310,952	23,410,000	9,097,908	32,507,908		192,818,860	192,818,860
2036		162,046,776	24,650,000	7,818,083	32,468,083		194,514,859	194,514,859
2037		161,829,042	27,170,000	6,470,468	33,640,468		195,469,510	195,469,510
2038		134,725,925	28,785,000	4,985,084	33,770,084		168,496,009	168,496,009
2039		92,465,593	30,330,000	3,411,408	33,741,408		126,207,001	126,207,001
2040		66,672,814	32,070,000	1,753,267	33,823,267		100,496,080	100,496,080

Note: Totals may not add due to rounding.

⁽¹⁾ Figures reflect estimated debt service on tax-exempt variable rate bonds calculated at an assumed interest rate of 5% per annum, on taxable variable rate bonds at an assumed rate of 7% per annum and on tax-exempt auction rate bonds at an assumed rate of 5% per annum. Fiscal 2003 Series A Bonds maturing after 2014 are assumed to be replaced by variable rate bonds at an assumed rate of 5% after November 1, 2011. Fiscal 2003 Series B Bonds maturing after 2015 are assumed to be replaced by variable rate bonds at an assumed rate of 5% after February 1, 2011. Figures include debt service on economically defeased Bonds. Figures do not reflect debt service on bonds to be refunded with proceeds of the Series 2010 H Bonds and the Series 2010 I Bonds.

⁽²⁾ Figures reflect estimated debt service on tax-exempt variable rate bonds calculated at an assumed interest rate of 5% per annum, on taxable variable rate bonds at an assumed rate of 7% per annum and on tax-exempt auction rate bonds at an assumed rate of 5% per annum. Figures include debt service on economically defeased Bonds. Figures do not reflect federal subsidy of 35% of interest on Build America Bonds or federal subsidy with respect to Qualified School Construction Bonds. Figures do not reflect debt service on bonds to be refunded with proceeds of the Series 2010 H Bonds and the Series 2010 I Bonds.

⁽³⁾ Figures include Sinking Fund Requirements to be deposited for the payment of the principal of the Subseries G-3 Bonds at maturity but not the maturing principal of the Subseries G-3 Bonds.

⁽⁴⁾ Figures reflect estimated debt service on the Subseries G-5 Bonds and the Subseries G-6 Bonds expected to be issued concurrently with the issuance of the Fixed Rate Bonds calculated at an assumed interest rate of 5% per annum.

Use of Proceeds

The proceeds of the Series 2010 H and I Bonds will be used, with other funds of the Authority, to redeem, at or prior to maturity, the Future Tax Secured Bonds identified in APPENDIX A hereto (the “Refunded Bonds”) by providing for the payment of the principal of and interest and redemption premium, if any, on the Refunded Bonds to the extent and to the payment dates shown on APPENDIX A. The proposed refunding is subject to the delivery of the Series 2010 H Bonds and each Subseries of the Series I Bonds. The Refunded Bonds to be refunded by the Series 2010 H Bonds and the Subseries I-2 Bonds were issued to finance general City capital expenditures. The Refunded Bonds to be refunded by the Series 2010 I-1 Bonds were issued to finance other discrete capital purposes.

Certain expenses of the Authority incurred in connection with the issuance and sale of the Series 2010 H and I Bonds will be paid from the proceeds of the Series 2010 H and I Bonds.

Book-Entry Only System

Beneficial ownership interests in the Authority’s bonds and notes (the “Securities”) will be available in book-entry only form. Purchasers of beneficial ownership interests in the Securities will not receive certificates representing their interests in the Securities purchased.

DTC, New York, New York, will act as securities depository for the Securities. References to the Securities under the caption “Book-Entry Only System” shall mean all Series 2010 H and I Bonds held in the United States through DTC. The Securities will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each principal amount of Securities of each series maturing on a specific date and bearing interest at a specific interest rate, each in the aggregate principal amount of such quantity of Security, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. 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 and www.dtc.org.

Purchases of the Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Securities (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, 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 Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Securities, except in the event that use of the book-entry system for the Securities is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. 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 Participants and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its service as depository with respect to the Securities at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

Unless otherwise noted, the information contained in the preceding paragraphs of this subsection "Book-Entry Only System" has been extracted from information furnished by DTC. Neither the Authority nor the Initial Purchasers make any representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

THE AUTHORITY AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SECURITIES: (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE SECURITIES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE SECURITIES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE SECURITIES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFERING CIRCULAR.

THE AUTHORITY AND THE TRUSTEE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS, OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE SECURITIES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS UNDER THE TERMS OF THE INDENTURE; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE SECURITIES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEMS HAS BEEN OBTAINED FROM DTC AND THE AUTHORITY MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Other Information

For additional information regarding the Series 2010 H and I Bonds and the Indenture, see “APPENDIX A—SUMMARY OF INDENTURE AND AGREEMENT” under “SECTION I: INCLUSION BY SPECIFIC REFERENCE.”

SECTION III: TAX MATTERS

Personal Income Taxes

In the opinion of Sidley Austin LLP, New York, New York, as Bond Counsel, interest on the Series 2010 H and I Bonds will be exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City.

Taxable Bonds

* * * * *

Circular 230 Notice. Any discussion of U.S. federal tax issues set forth in this Offering Circular relating to the Subseries I-1 Bonds (the “Taxable Bonds”) was written in connection with the promotion and marketing of the transactions described in this Offering Circular. Such discussion is not intended or written to be legal or tax advice with respect to the Taxable Bonds to any person and is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any U. S. federal tax penalties that may be imposed on such person. Each investor should seek advice based on its particular circumstances from an independent tax advisor.

* * * * *

In General

Interest on the Taxable Bonds will be includable in the gross income of the owners thereof for purposes of federal income taxation. See “—*Certain U.S. Federal Income Tax Considerations*” below. Under existing law, interest on the Taxable Bonds will be exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City.

Certain U.S. Federal Income Tax Considerations

The following summary of certain United States federal income tax consequences of the purchase, ownership and disposition of the the Taxable Bonds is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (including changes in effective dates), which change may be retroactive, or possible differing interpretations. It deals only with the Taxable Bonds held as capital assets and does not purport to deal with persons in special tax situations, such as financial institutions, insurance companies, regulated investment companies, dealers in securities or currencies, persons holding the Taxable Bonds as a hedge against currency risks or as a position in a “straddle” for tax purposes, or persons whose functional currency is not the U.S. dollar. It also does not deal with holders other than investors who purchase Taxable Bonds in the initial offering at the first price at which a substantial amount of such substantially identical bonds are sold to the general public (except where otherwise specifically noted). Persons considering the purchase of the Taxable Bonds should consult their own tax advisors concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Taxable Bonds arising under the laws of any other taxing jurisdiction.

As used herein, the term “U.S. Holder” means a beneficial owner of a Taxable Bond that is for U.S. federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or (b) the trust was in existence on August 20, 1996 and properly elected to continue to be treated as a United States person. Moreover, as used herein, the term “U.S. Holder” includes any holder of a Taxable Bond whose income or gain in respect of its investment in a Taxable Bond is effectively connected with the U.S. trade or business.

Payments of Interest. Payments of interest on a Taxable Bond generally will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder’s regular method of tax accounting), provided such interest is “qualified stated interest,” as defined below.

Original Issue Discount. The following summary is a general discussion of the U.S. federal income tax consequences to U.S. Holders of the purchase, ownership and disposition of Taxable Bonds issued with original issue discount (“OID Bonds”), if any. The following summary is based upon final Treasury regulations (the “OID Regulations”) released by the Internal Revenue Service (“IRS”) under the original issue discount provisions of the Code.

For U.S. federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a bond over its issue price, if such excess equals or exceeds a *de minimis* amount (generally $\frac{1}{4}$ of 1% of the bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity from its issue date or, in the case of a bond providing for the payment of any amount other than qualified stated interest (as defined below) prior to maturity, multiplied by the weighted average maturity of such bond). The issue price of each maturity of substantially identical

Taxable Bonds equals the first price at which a substantial amount of such maturity of Taxable Bonds has been sold (ignoring sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The stated redemption price at maturity of a Taxable Bond is the sum of all payments provided by the Taxable Bond other than “qualified stated interest” payments. The term “qualified stated interest” generally means 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. Payments of qualified stated interest on a Taxable Bond are generally taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder’s regular method of tax accounting).

A U.S. Holder of an OID Bond must include original issue discount in income as ordinary income for U.S. federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder’s regular method of tax accounting. In general, the amount of original issue discount included in income by the initial U.S. Holder of an OID Bond is the sum of the daily portions of original issue discount with respect to such OID Bond for each day during the taxable year (or portion of the taxable year) on which such U.S. Holder held such OID Bond. The “daily portion” of original issue discount on any OID 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 the accrual periods may vary in length over the term of the OID Bond, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period. The amount of original issue discount allocable to each accrual period is generally equal to the difference between (i) the product of the OID 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 an OID Bond at the beginning of any accrual period is the sum of the issue price of the OID Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the OID Bond that were not qualified stated interest payments. Under these rules, U.S. Holders generally will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

A U.S. Holder who purchases an OID Bond for an amount that is greater than its adjusted issue price as of the purchase date and less than or equal to the sum of all amounts payable on the OID Bond after the purchase date, other than payments of qualified stated interest, will be considered to have purchased the OID Bond at an “acquisition premium.” Under the acquisition premium rules, the amount of original issue discount which such U.S. Holder must include in its gross income with respect to such OID Bond for any taxable year (or portion thereof in which the U.S. Holder holds the OID Bond) will be reduced (but not below zero) by the portion of the acquisition premium properly allocable to the period.

U.S. Holders may generally, upon election, include in 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) that accrues on a debt instrument by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions. This election will generally apply only to the debt instrument with respect to which it is made and may be revoked only with the consent of the IRS.

Market Discount. If a U.S. Holder purchases a Taxable Bond, other than an OID Bond, for an amount that is less than its issue price (or, in the case of a subsequent purchaser, its stated redemption price at maturity) or, in the case of an OID Bond, for an amount that is less than its adjusted issue price

as of the purchase date, such U.S. Holder will be treated as having purchased such Taxable Bond at a “market discount,” unless the amount of such market discount is less than a specified *de minimis* amount.

Under the market discount rules, a U.S. Holder will be required to treat any partial principal payment (or, in the case of an OID Bond, any payment that does not constitute qualified stated interest) on, or any gain realized on the sale, exchange, retirement or other disposition of, a Taxable Bond as ordinary income to the extent of the lesser of (i) the amount of such payment or realized gain or (ii) the market discount which has not previously been included in gross income and is treated as having accrued on such Taxable Bonds at the time of such payment or disposition. Market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the Taxable Bonds, unless the U.S. Holder elects to accrue market discount on the basis of semiannual compounding.

A U.S. Holder may be required to defer the deduction of all or a portion of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry a Taxable Bond with market discount until the maturity of such Taxable Bond or certain earlier dispositions, because a current deduction is only allowed to the extent the interest expense exceeds an allocable portion of market discount. A U.S. Holder may elect to include market discount in income currently as it accrues (on either a ratable or semiannual compounding basis), in which case the rules described above regarding the treatment as ordinary income of gain upon the disposition of the Taxable Bond and upon the receipt of certain cash payments and regarding the deferral of interest deductions will not apply. Generally, such currently included market discount is treated as ordinary interest for U.S. federal income tax purposes. Such an election will apply to all debt instruments acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

Premium. If a U.S. Holder purchases a Taxable Bond for an amount that is greater than the sum of all amounts payable on the Taxable Bond after the purchase date, other than payments of qualified stated interest, such U.S. Holder will be considered to have purchased the Taxable Bond with “amortizable bond premium” equal in amount to such excess. A U.S. Holder may elect to amortize such premium using a constant yield method over the remaining term of the Taxable Bond and may offset interest otherwise required to be included in respect of the Taxable Bond during any taxable year by the amortized amount of such excess for the taxable year. However, if the Taxable Bond may be optionally redeemed after the U.S. Holder acquires it at a price in excess of its stated redemption price at maturity, special rules would apply which could result in a deferral of the amortization of some bond premium until later in the term of the Taxable Bond (as discussed in more detail below). Any election to amortize bond premium applies to all taxable debt instruments held by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

The following rules apply to any Taxable Bond that may be optionally redeemed after the U.S. Holder acquires it at a price in excess of its stated redemption price at maturity. The amount of amortizable bond premium attributable to such Taxable Bond is equal to the lesser of (1) the difference between (A) such U.S. Holder’s tax basis in the Taxable Bond and (B) the sum of all amounts payable on such Taxable Bond after the purchase date, other than payments of qualified stated interest or (2) the difference between (X) such U.S. Holder’s tax basis in such Taxable Bond and (Y) the sum of all amounts payable on such Taxable Bond after the purchase date due on or before the early call date, other than payments of qualified stated interest. If a Taxable Bond may be redeemed on more than one date prior to maturity, the early call date and amount payable on the early call date that produces the lowest amount of amortizable bond premium, is the early call date and amount payable that is initially used for purposes of calculating the amount pursuant to clause (2) of the previous sentence. If an early call date is not taken into account in computing premium amortization and the early call is in fact exercised, a U.S. Holder will be allowed a deduction for the excess of the U.S. Holder’s tax basis in the Taxable Bond

over the amount realized pursuant to the redemption. If an early call date is taken into account in computing premium amortization and the early call is not exercised, the Taxable Bond will be treated as “reissued” on such early call date for the call price. Following the deemed reissuance, the amount of amortizable bond premium is recalculated pursuant to the rules of this section “Premium.” The rules relating to Taxable Bonds that may be optionally redeemed are complex and, accordingly, prospective purchasers are urged to consult their own tax advisors regarding the application of the amortizable bond premium rules to their particular situation.

Disposition of a Taxable Bond. Except as discussed above, upon the sale, exchange or retirement of a Taxable Bond, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (other than amounts representing accrued and unpaid interest) and such U.S. Holder’s adjusted tax basis in the Taxable Bond. A U.S. Holder’s adjusted tax basis in a Taxable Bond generally will equal such U.S. Holder’s initial investment in the Taxable Bond increased by any original issue discount included in income (and accrued market discount, if any, if the U.S. Holder has included such market discount in income) and decreased by the amount of any payments, other than qualified stated interest payments, received and amortizable bond premium taken with respect to such Taxable Bond. Such gain or loss generally will be long-term capital gain or loss if the Taxable Bond has been held by the U.S. Holder at the time of disposition for more than one year. If the U.S. Holder is an individual, long-term capital gain will be subject to reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

Non-U.S. Holders

A non-U.S. Holder will not be subject to United States federal income taxes on payments of principal, premium (if any), interest (including original issue discount, if any) on a Taxable Bond, unless such non-U.S. Holder is a bank receiving interest described in section 881(c)(3)(A) of the Code. To qualify for the exemption from taxation, the Withholding Agent, as defined below, must have received a statement from the individual or corporation that:

- is signed by the beneficial owner of the Taxable Bond under penalties of perjury,
- certifies that such owner is not a U.S. Holder, and
- provides the beneficial owner’s name and address.

A “Withholding Agent” is the last United States payor (or a non-U.S. payor who is a qualified intermediary, U.S. branch of a foreign person, or withholding foreign partnership) in the chain of payment prior to payment to a non-U.S. Holder (which itself is not a Withholding Agent). Generally, this statement is made on an IRS Form W-8BEN (“W-8BEN”), which is effective for the remainder of the year of signature plus three full calendar years unless a change in circumstances makes any information on the form incorrect. Notwithstanding the preceding sentence, a W-8BEN with a U.S. taxpayer identification number will remain effective until a change in circumstances makes any information on the form incorrect, provided that the Withholding Agent reports at least annually to the beneficial owner on IRS Form 1042-S. The beneficial owner must inform the Withholding Agent within 30 days of such change and furnish a new W-8BEN. A non-U.S. Holder who is not an individual or corporation (or an entity treated as a corporation for federal income tax purposes) holding the Taxable Bonds on its own behalf may have substantially increased reporting requirements. In particular, in the case of Taxable Bonds held by a foreign partnership (or foreign trust), the partners (or beneficiaries) rather than the partnership (or trust) will be required to provide the certification discussed above, and the partnership (or trust) will be required to provide certain additional information.

A non-U.S. Holder whose income with respect to its investment in a Taxable Bond is effectively connected with the conduct of a U.S. trade or business would generally be taxed as if the holder was a U.S. person provided the holder provides to the Withholding Agent an IRS Form W-8ECI.

Certain securities clearing organizations, and other entities who are not beneficial owners, may be able to provide a signed statement to the Withholding Agent. However, in such case, the signed statement may require a copy of the beneficial owner's W-8BEN (or the substitute form).

Generally, a non-U.S. Holder will not be subject to United States federal income taxes on any amount which constitutes capital gain upon retirement or disposition of a Taxable Bond, unless such non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and such gain is derived from sources within the United States. Certain other exceptions may be applicable, and a non-U.S. Holder should consult its tax advisor in this regard.

The Taxable Bonds will not be includable in the estate of a non-U.S. Holder unless, at the time of such individual's death, payments in respect of the Taxable Bonds would have been effectively connected with the conduct by such individual of a trade or business in the United States.

Backup Withholding

Backup withholding of United States federal income tax may apply to payments made in respect of the Taxable Bonds to registered owners who are not "exempt recipients" and who fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Payments made in respect of the Taxable Bonds to a U.S. Holder must be reported to the IRS, unless the U.S. Holder is an exempt recipient or establishes an exemption. Compliance with the identification procedures described in the preceding section would establish an exemption from backup withholding for those non-U.S. Holders who are not exempt recipients.

In addition, upon the sale of a Taxable Bond to (or through) a broker, the broker must report the sale and withhold on the entire purchase price, unless either (i) the broker determines that the seller is a corporation or other exempt recipient or (ii) the seller certifies that such seller is a non-U.S. Holder (and certain other conditions are met). Certification of the registered owner's non-U.S. status would be made normally on an IRS Form W-8BEN under penalties of perjury, although in certain cases it may be possible to submit other documentary evidence.

Any amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the IRS.

Tax-Exempt Bonds

The Authority and the City have covenanted to comply with applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), relating to the exclusion from gross income of the interest on the Series 2010 H Bonds and the Subseries I-2 Bonds (the "Tax-Exempt Bonds") for purposes of federal income taxation. In the opinion of Bond Counsel, assuming compliance by the Authority and the City with such provisions of the Code, interest on the Tax-Exempt Bonds will not be included in the gross income of the owners thereof for purposes of federal income taxation. Failure by the Authority or the City to comply with such applicable requirements may cause interest on the Tax-Exempt Bonds to be includable in the gross income of the owners thereof retroactive to the date of the issue of the Tax-Exempt Bonds. Further, Bond Counsel will render no opinion as to the effect on the exclusion from gross income of interest on the Tax-Exempt Bonds of any action taken or not taken after the date of such opinion without the approval of Bond Counsel.

Interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum tax. The Code contains other provisions that could result in tax consequences, upon which Sidley Austin LLP renders no opinion, as a result of ownership of such

Tax-Exempt Bonds or the inclusion in certain computations (including, without limitation, those related to the corporate alternative minimum tax) of interest that is excluded from gross income. Interest on the Tax-Exempt Bonds owned by a corporation will be included in the calculation of the corporation's federal alternative minimum tax liability.

Original Issue Discount. The excess, if any, of the amount payable at maturity of any maturity of the Tax-Exempt Bonds purchased as part of the initial public offering over the issue price thereof constitutes original issue discount. The amount of original issue discount that has accrued and is properly allocable to an owner of any maturity of the Tax-Exempt Bonds with original issue discount (a "Discount Bond") will be excluded from gross income for federal, State and City income tax purposes to the same extent as interest on the Tax-Exempt Bonds. In general, the issue price of a maturity of the Tax-Exempt Bonds is the first price at which a substantial amount of Tax-Exempt Bonds of that maturity was sold (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and the amount of original issue discount accrues in accordance with a constant yield method based on the compounding of interest. A purchaser's adjusted basis in a Discount Bond is to be increased by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bonds for federal income tax purposes. A portion of the original issue discount that accrues in each year to an owner of a Discount Bond which is a corporation will be included in the calculation of the corporation's federal alternative minimum tax liability. In addition, original issue discount that accrues in each year to an owner of a Discount Bond may result in some of the collateral federal income tax consequences discussed below. Consequently, owners of any Discount Bond should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral federal income tax consequences although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

The accrual of original issue discount and its effect on the redemption, sale or other disposition of a Discount Bond that is subject to redemption prior to its stated maturity, or a Discount Bond that is not purchased in the initial offering at the first price at which a substantial amount of such Bonds is sold to the public may be determined according to rules that differ from those described above. An owner of a Discount Bond should consult his tax advisors with respect to the determination for federal income tax purposes of the amount of original issue discount with respect to such Discount Bond and with respect to state and local tax consequences of owning and disposing of such Discount Bond.

Premium. The excess, if any, of the tax basis of Tax-Exempt Bonds purchased as part of the initial public offering to a purchaser (other than a purchaser who holds such Tax-Exempt Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is "bond premium." Bond premium is amortized over the term of such Tax-Exempt Bonds for federal income tax purposes (or, in the case of a bond with bond premium callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). Owners of such Tax-Exempt Bonds are required to decrease their adjusted basis in such Tax-Exempt Bonds by the amount of amortizable bond premium attributable to each taxable year such Tax-Exempt Bonds are held. The amortizable bond premium on such Tax-Exempt Bonds attributable to a taxable year is not deductible for federal income tax purposes; however, U.S. Treasury regulations provide that bond premium is treated as an offset to qualified stated interest received on such Tax-Exempt Bonds. Owners of such Tax-Exempt Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the treatment of bond premium upon sale or other disposition of such Tax-Exempt Bonds and with respect to the state and local tax consequences of owning and disposing of such Tax-Exempt Bonds.

Collateral Consequences. Ownership of tax-exempt obligations may result in collateral tax consequences to certain taxpayers, including, without limitation, financial institutions, property and

casualty insurance companies, certain foreign corporations doing business in the United States, certain S Corporations with excess passive income, individual recipients of Social Security or railroad retirement benefits, taxpayers eligible for the earned income tax credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Tax-Exempt Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

Backup Withholding. Interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Tax-Exempt Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not “exempt recipients” and (b) either fail to provide certain identifying information (such as the beneficial owner’s taxpayer identification number) in the required manner or have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner’s federal income tax liability provided the required information is furnished to the IRS.

Future Tax Developments

Future legislative proposals, if enacted into law, regulations, rulings or court decisions may cause interest on the Tax-Exempt Bonds to be subject, directly or indirectly, to federal income taxation or cause interest on the Series 2010 H and I Bonds to be subject directly or indirectly to State or local income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. Further, legislation or regulatory actions and proposals may affect the economic value of the federal or State tax exemption or the market value of the Series 2010 H and I Bonds. Prospective purchasers of the Series 2010 H and I Bonds should consult their own tax advisors regarding any pending or proposed federal or State tax legislation, regulations, rulings or litigation as to which Bond Counsel expresses no opinion.

SECTION IV: RATINGS

The Series 2010 H and I Bonds are rated “AAA” by Standard & Poor’s, “Aa1” by Moody’s and “AAA” by Fitch. Such ratings reflect only the views of Standard & Poor’s, Moody’s and Fitch from which an explanation of the significance of such ratings may be obtained. There is no assurance that a particular rating will continue for any given period of time or that any such rating will not be revised downward or withdrawn entirely if, in the judgment of the Rating Agency originally establishing the rating, circumstances so warrant. A revision or withdrawal of such ratings may have an effect on the market price of the Series 2010 H and I Bonds.

SECTION V: CONTINUING DISCLOSURE UNDERTAKING

To the extent that Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission (“SEC”) promulgated under the Securities Exchange Act of 1934, as amended (the “1934 Act”), requires underwriters (as defined in the Rule) to determine, as a condition to purchasing the securities, that the Authority will make such covenants, the Authority will covenant as follows:

The Authority shall provide:

(a) within 185 days after the end of each Fiscal Year, to the Electronic Municipal Market Access system (“EMMA”) (<http://emma.msrb.org>) established by the Municipal Securities Rulemaking Board (the “MSRB”), core financial information and operating data for the prior fiscal year, including (i) the Authority’s audited financial statements, prepared in accordance with generally accepted accounting principles in effect from time to time, and (ii) material historical quantitative data on the Authority’s revenues, expenditures, financial operations and indebtedness, generally of the types found under “SECTION II: Sources of Payment and Security for the Future Tax Secured Bonds” and “SECTION III: Economic and Demographic Information” included by specific reference herein; and

(b) in a timely manner to EMMA, notice of any of the following events with respect to the Series 2010 H and I Bonds, if material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax status of the Series 2010 H and I Bonds;
- (7) modifications to rights of security holders;
- (8) bond calls;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Series 2010 H and I Bonds;
- (11) rating changes; and
- (12) failure by the Authority to comply with clause (a) above.

The Authority will not undertake to provide any notice with respect to (1) credit enhancement if the credit enhancement is added after the primary offering of the Series 2010 H and I Bonds, the Authority does not apply for or participate in obtaining the enhancement and the enhancement is not described in the applicable Offering Circular; (2) a mandatory, scheduled redemption, not otherwise contingent upon the occurrence of an event, if (a) the terms, dates and amounts of redemption are set forth in detail in the applicable offering circular, (b) the only open issue is which securities will be redeemed in the case of a partial redemption, (c) notice of redemption is given to the Holders as required under the terms of the Indenture and (d) public notice of the redemption is given pursuant to Release No. 23856 of the SEC under the 1934 Act, even if the originally scheduled amounts may be reduced by prior optional redemptions or purchases; or (3) tax exemption other than pursuant to the Act or Section 103 of the Code.

No Holder may institute any suit, action or proceeding at law or in equity (“Proceeding”) for the enforcement of the continuing disclosure undertaking (the “Undertaking”) or for any remedy for breach thereof, unless such Holder shall have filed with the Authority evidence of ownership and a written

notice of and request to cure such breach, the Authority shall have refused to comply within a reasonable time and such Holder stipulates that (a) no challenge is made to the adequacy of any information provided in accordance with the Undertaking and (b) no remedy is sought other than substantial performance of the Undertaking. All Proceedings shall be instituted only as specified herein, in the federal or State courts located in the Borough of Manhattan, State and City of New York, and for the equal benefit of all holders of the outstanding bonds benefited by the same or a substantially similar covenant, and no remedy shall be sought or granted other than specific performance of the covenant at issue.

An amendment to the Undertaking may only take effect if:

(a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Authority, or type of business conducted; the Undertaking, as amended, would have complied with the requirements of the Rule at the time of award of a series of bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and the amendment does not materially impair the interests of Holders of bonds, as determined by parties unaffiliated with the Authority (such as, but without limitation, the Authority's financial advisor or bond counsel) and the annual financial information containing (if applicable) the amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the "impact" (as that word is used in the letter from the SEC staff to the National Association of Bond Lawyers dated June 23, 1995) of the change in the type of operating data or financial information being provided; or

(b) all or any part of the Rule, as interpreted by the staff of the SEC at the date of the issue of a series of bonds ceases to be in effect for any reason, and the Authority elects that the Undertaking shall be deemed terminated or amended (as the case may be) accordingly.

For purposes of the Undertaking, a beneficial owner of a bond includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares investment power which includes the power to dispose, or to direct the disposition of, such bond, subject to certain exceptions as set forth in the Undertaking. Any assertion of beneficial ownership must be filed, with full documentary support, as part of the written request described above.

SECTION VI: UNDERWRITING

The Series 2010 H Bonds and the Subseries I-2 Bonds (the "Underwritten Bonds") are being purchased for reoffering by the Underwriters, for whom Merrill Lynch, Pierce, Fenner & Smith Incorporated is acting as Lead Manager.

The Underwriters have jointly and severally agreed, subject to certain conditions, to purchase the Underwritten Bonds from the Authority at an aggregate underwriters' discount of \$1,977,326.27 and to make an initial public offering of the Underwritten Bonds at prices that are not in excess of the initial public offering prices set forth on the inside cover page of this Offering Circular, plus accrued interest, if any. The Underwriters will be obligated to purchase all the Underwritten Bonds if any Underwritten Bonds are purchased.

The Underwritten Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices, and such public offering prices may be changed from time to time by the Underwriters.

Certain of the Underwriters have entered into distribution agreements with other broker-dealers (that have not been designated by the Authority as Underwriters) for the distribution of the Underwritten 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 Subseries I-1 Bonds are being purchased by Wells Fargo Bank, National Association (the “Initial Purchaser”) pursuant to a competitive bid process at an aggregate discount of \$7,700.55.

The delivery of the Series 2010 H Bonds and each Subseries of the Series 2010 I Bonds (together, the “Refunding Bonds”) is dependent upon the delivery of all of the Series and Subseries of the Refunding Bonds.

SECTION VII: VERIFICATION

The accuracy of (i) the mathematical computations of the adequacy of the maturing principal of and interest earned on the government obligations to be held in escrow to provide for the payment of the principal of and interest and redemption premiums, if any, on the bonds identified in APPENDIX C hereof and (ii) certain mathematical computations supporting the conclusion that the bonds are not “arbitrage bonds” under the Code, have been verified by Causey Demgen & Moore, Inc., as verification agent.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

BONDS TO BE REDEEMED

The Authority expects to redeem Bonds, at or prior to maturity, by applying the proceeds of the Series 2010 H and I Bonds, with other funds of the Authority, to provide for, at or prior to maturity, the payment of the principal of and interest and redemption premium, if any, on such Bonds (the "Refunded Bonds") to the extent and to the payment dates set forth below. The refunding is contingent upon the delivery of the Series 2010 H Bonds and each Subseries of the Series 2010 I Bonds.

Refunded Bonds that are to be paid at maturity which are redeemable by their terms, if any, may be called for redemption at the option of the Authority if the escrow account is hereafter restructured to provide for their redemption. Any such restructuring must preserve (a) the sufficiency of the escrow account to pay the principal, interest to maturity or redemption, and any redemption premium on all the Refunded Bonds and (b) the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds and the Refunded Bonds, the interest on which is excluded from gross income for federal income tax purposes.

The Refunded Bonds are being provided for in whole or in part as indicated in the footnotes hereto.

Series	Dated Date	Maturities	Interest Rate	Payment Date	Amount
1998C . . .	May 5, 1998	May 1, 2014	6.375%	July 9, 2010	\$20,000,000 ^(a)
1999B . . .	March 9, 1999	November 1, 2023	4.750	July 9, 2010	32,665,000 ^{(p)(t)}
2001B . . .	March 7, 2001	February 1, 2011	5.500	February 1, 2011	10,940,000 ^(p)
		February 1, 2017	4.900	February 1, 2011	1,925,000 ^(a)
2001C . . .	April 11, 2001	February 1, 2011	5.500	February 1, 2011	1,265,000 ^(p)
		February 1, 2017	4.900	February 1, 2011	185,000 ^(a)
2002A . . .	July 10, 2001	May 1, 2021	5.000	May 1, 2011	200,000 ^(a)
		May 1, 2025	5.000	May 1, 2011	13,720,000 ^{(p)(t)}
		May 1, 2028	5.000	May 1, 2011	22,905,000 ^{(a)(t)}
2002B . . .	November 14, 2001	May 1, 2013	4.300	November 1, 2011	320,000 ^(a)
		May 1, 2015	4.600	November 1, 2011	225,000 ^(a)
		May 1, 2016	5.250	November 1, 2011	17,075,000 ^(p)
		May 1, 2017	5.250	November 1, 2011	10,415,000 ^(p)
		May 1, 2018	5.000	November 1, 2011	19,765,000 ^(p)
		May 1, 2020	5.000	November 1, 2011	11,190,000 ^{(p)(t)}
2002C . . .	April 16, 2002	February 15, 2013	4.500	February 15, 2012	12,655,000 ^(a)
		February 15, 2016	5.500	February 15, 2012	13,345,000 ^(a)
		February 15, 2017	5.500	February 15, 2012	3,765,000 ^(a)
		February 15, 2019	4.750	February 15, 2012	5,085,000 ^(a)
		February 15, 2020	5.000	February 15, 2012	5,340,000 ^(a)
		February 15, 2021	5.000	February 15, 2012	5,605,000 ^(a)
		February 15, 2022	5.000	February 15, 2012	5,890,000 ^(a)
2003C . . .	November 7, 2002	August 1, 2013	4.000	August 1, 2012	8,765,000 ^(p)
		August 1, 2016	5.250	August 1, 2012	3,065,000 ^(p)
		August 1, 2017	5.250	August 1, 2012	17,435,000 ^(p)
		August 1, 2018	5.250	August 1, 2012	4,120,000 ^(a)
		August 1, 2019	5.250	August 1, 2012	14,405,000 ^(a)
		August 1, 2020	5.250	August 1, 2012	10,265,000 ^(a)
		August 1, 2022	5.250	August 1, 2012	28,015,000 ^(a)
		August 1, 2023	5.000	August 1, 2012	1,530,000 ^(p)
2003D . . .	February 20, 2003	February 1, 2019	5.250	February 1, 2013	2,925,000 ^(p)
		February 1, 2020	5.250	February 1, 2013	3,560,000 ^(p)
		February 1, 2021	5.250	February 1, 2013	2,870,000 ^(p)
2003E . . .	April 10, 2003	February 1, 2014	5.250	February 1, 2013	1,385,000 ^(p)
		February 1, 2015	5.250	February 1, 2013	12,500,000 ^(p)
		February 1, 2019	5.250	February 1, 2013	5,125,000 ^(p)
		February 1, 2020	5.250	February 1, 2013	10,865,000 ^(p)
		February 1, 2021	5.250	February 1, 2013	26,260,000 ^(p)
2004B . . .	November 3, 2003	August 1, 2015	5.250	August 1, 2013	9,280,000 ^(p)
2007A . . .	October 16, 2006	August 1, 2011	3.500	August 1, 2011	8,880,000 ^(a)
2007B . . .	February 22, 2007	November 1, 2011	5.000	November 1, 2011	2,345,000 ^(p)
2007C . . .	June 21, 2007	November 1, 2011	5.000	November 1, 2011	10,770,000 ^(a)
2009A . . .	April 2, 2009	November 1, 2011	5.000	November 1, 2011	8,845,000 ^(p)
2009B . . .	April 2, 2009	November 1, 2010	2.500	November 1, 2010	335,000 ^(p)
		November 1, 2010	3.000	November 1, 2010	860,000 ^(p)

^(p) The amount shown is being defeased and is a portion of the bonds of this description.

^(a) The amount shown is being defeased and is all of the bonds of this description, except those, if any, that have been previously defeased.

(4) The defeased bonds will be credited against the following redemption:

1999B	
2023 Term Bond	
<u>November 1</u>	<u>Amount</u>
2022	\$14,930,000
2023	17,735,000

2002A	
2025 Term Bond	
<u>May 1</u>	<u>Amount</u>
2024	\$6,695,000
2025	7,025,000

2002A	
2028 Term Bond	
<u>May 1</u>	<u>Amount</u>
2026	\$7,380,000
2027	7,750,000
2028	7,775,000

2002B	
2020 Term Bond	
<u>May 1</u>	<u>Amount</u>
2019	\$6,695,000
2020	4,495,000

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\$399,995,000
New York City Transitional
Finance Authority
Future Tax Secured Bonds Fiscal 2010
\$47,800,000 Series H Tax-Exempt
Subordinate Bonds
\$19,745,000 Subseries I-1 Taxable
Subordinate Bonds
\$332,450,000 Subseries I-2 Tax-Exempt
Subordinate Bonds

OFFERING CIRCULAR

May 19, 2010
