

NEW ISSUE

In the opinion of Bond Counsel, interest on the Adjustable Rate 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 Adjustable Rate Bonds will not be includable in the gross income of the owners thereof for federal income tax purposes. See "SECTION III: TAX MATTERS" herein for further information.



\$248,000,000

New York City Transitional Finance Authority

Future Tax Secured Subordinate Bonds Fiscal 2013 Series C

**\$100,000,000 Subseries C-4
Tax-Exempt Subordinate Bonds
(Adjustable Rate Bonds)**

**\$148,000,000 Subseries C-5
Tax-Exempt Subordinate Bonds
(Adjustable Rate Bonds)**

Dated: Date of Delivery

Due: November 1, as shown on inside cover page

The Future Tax Secured Subordinate Bonds (Adjustable Rate Bonds), Fiscal 2013 Subseries C-4 (the "Subseries C-4 Bonds") and the Future Tax Secured Subordinate Bonds (Adjustable Rate Bonds), Fiscal 2013 Subseries C-5 (the "Subseries C-5 Bonds" and, together with the Subseries C-4 Bonds, the "Adjustable Rate 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, as restated December 1, 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 Subseries C-4 Bonds will bear interest initially at a Daily Rate. The Subseries C-5 Bonds will bear interest initially at an Initial Rate for an Initial Rate Period commencing on Tuesday, December 4, 2012 until Wednesday, December 5, 2012 and thereafter at a Weekly Rate commencing on Thursday, December 6, 2012.

In addition to the Adjustable Rate Bonds, the Authority expects to issue or reissue \$914,830,000 of its Future Tax Secured Subordinate Bonds, all of which will be fixed rate bonds. These bonds are being offered pursuant to a separate offering circular or reoffering circular, as the case may be.

The Adjustable Rate Bonds will be issued as Parity Debt (defined herein). Interest on and principal of the Adjustable Rate 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 "SECTION I: INCLUSION BY SPECIFIC REFERENCE." Provided the statutory and contractual conditions are met, other Series of Bonds senior to or on a parity with the Adjustable Rate Bonds may be issued. See "SECTION V: THE AUTHORITY OTHER AUTHORITY OBLIGATIONS" under "SECTION I: INCLUSION BY SPECIFIC REFERENCE."

Pursuant to the Act, the Adjustable Rate 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 "SECTION I: INCLUSION BY SPECIFIC REFERENCE."

The Adjustable Rate Bonds will be issued only as fully registered bonds, registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"). Purchasers will not receive physical delivery of the Adjustable Rate Bonds. Principal, redemption price and interest on the Adjustable Rate Bonds 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 Adjustable Rate Bonds are the responsibility of the DTC Participants.

Purchases of the Adjustable Rate Bonds will be made in book-entry form in denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000. Interest terms of the Adjustable Rate Bonds, including Interest Rate Modes and Interest Payment Dates, are described herein.

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

The Adjustable Rate Bonds are subject to optional and mandatory tender under the circumstances described herein. Payment of the Purchase Price of the Subseries C-4 Bonds tendered for purchase as described herein and not remarketed will be made pursuant and subject to the terms of the Standby Bond Purchase Agreement, dated as of November 1, 2012 (the "JPMorgan Liquidity Facility"), described herein, between the Authority and JPMorgan Chase Bank, National Association ("JPMorgan"), the Liquidity Provider for the Subseries C-4 Bonds. The JPMorgan Liquidity Facility is scheduled to terminate on November 30, 2015. Payment of the Purchase Price of the Subseries C-5 Bonds tendered for purchase as described herein and not remarketed will be made pursuant and subject to the terms of a standby letter of credit (the "Standby Letter of Credit") described herein issued by Sumitomo Mitsui Banking Corporation, acting through its New York Branch ("Sumitomo") pursuant to that certain Standby Letter of Credit and Reimbursement Agreement dated as of December 1, 2012 (the "Reimbursement Agreement" and, together with the JPMorgan Liquidity Facility, the "Liquidity Facilities") between the Authority and Sumitomo. The Standby Letter of Credit is scheduled to terminate on December 4, 2015. See "SECTION II: THE ADJUSTABLE RATE BONDS—Liquidity Providers." **Each Liquidity Facility is subject to immediate termination without notice upon the occurrence of certain events, as described herein.** See "SECTION II: THE ADJUSTABLE RATE BONDS—JPMorgan Liquidity Facility" and "—Sumitomo Standby Letter of Credit."

THE ADJUSTABLE RATE BONDS ARE PAYABLE SOLELY FROM AND SECURED BY A SUBORDINATE LIEN ON TAX REVENUES OF THE AUTHORITY AND CERTAIN ACCOUNTS HELD BY THE TRUSTEE. THE ADJUSTABLE RATE 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 ADJUSTABLE RATE BONDS BE PAYABLE OUT OF ANY FUNDS OTHER THAN TAX REVENUES OF THE AUTHORITY AND CERTAIN ACCOUNTS HELD BY THE TRUSTEE.

The Adjustable Rate Bonds are being offered, subject to prior sale, when, as and if issued by the Authority and accepted by the Underwriters. The issuance of the Adjustable Rate Bonds is subject to the approval of legality of the Adjustable Rate 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. Certain legal matters will be passed upon for the Underwriters by their counsel, Winston & Strawn LLP, New York, New York. It is expected that the Adjustable Rate Bonds will be available for delivery to DTC in New York, New York, on or about December 4, 2012.

Fiscal 2013 Subseries C-4
J.P. Morgan

Fiscal 2013 Subseries C-5
TD Securities (USA) LLC

November 26, 2012

\$248,000,000
New York City Transitional Finance Authority
Future Tax Secured Subordinate Bonds Fiscal 2013 Series C

\$100,000,000
Subseries C-4 Tax-Exempt Subordinate Bonds
(Adjustable Rate Bonds)

Maturity Date: November 1, 2036
Rate Mode at Delivery Date: Daily Rate Mode
First Interest Payment Date: January 2, 2013
Facility Provider: JPMorgan Chase Bank, National Association
Remarketing Agent: J.P. Morgan Securities, LLC
CUSIP Number⁽¹⁾: 64971QV26
Price: 100%

\$148,000,000
Subseries C-5 Tax-Exempt Subordinate Bonds
(Adjustable Rate Bonds)

Maturity Date: November 1, 2041
Rate Mode at Delivery Date: Initial Rate through December 5, 2012 and thereafter a Weekly Rate Mode
First Interest Payment Date: January 2, 2013
Facility Provider: Sumitomo Mitsui Banking Corporation, acting through its New York Branch
Remarketing Agent: TD Securities (USA) LLC
CUSIP Number⁽¹⁾: 64971QQ63
Price: 100%

⁽¹⁾ Copyright, American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGrawHill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Adjustable Rate Bonds and neither the Authority nor the Remarketing Agents make any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Adjustable Rate 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 Adjustable Rate Bonds.

**RATE PERIOD TABLE
FOR THE ADJUSTABLE RATE BONDS¹**

	DAILY RATE	TWO-DAY RATE	WEEKLY RATE
Interest Payment Date	First Business Day of each calendar month	First Business Day of each calendar month	First Business Day of each calendar month
Record Date	Business Day preceding each Interest Payment Date	Business Day preceding each Interest Payment Date	Business Day preceding each Interest Payment Date
Reset Date	Not later than 10:00 a.m. on each Business Day	Not later than 10:00 a.m. on the first day of the Rate Period and, thereafter, on each Monday, Wednesday and Friday that is a Business Day	Not later than 10:00 a.m. on the first day of the Rate Period
Rate Periods	Commencing on one Business Day extending to, but not including, the next succeeding Business Day	Commencing on a Monday, Wednesday or Friday that is a Business Day and extending to, but not including, the next day on which a Two-Day Rate is required to be reset	The Rate Period will be a period of seven days beginning on Thursday or another day of the week specified therefor by the Authority
Optional Tender Date and Time	On any Business Day not later than 1:00 p.m.	On any Business Day not later than 1:00 p.m.	On any Business Day not later than 1:00 p.m.
Notice Period for Optional Tenders	Written notice not later than 10:30 a.m. on the Optional Tender Date	Written notice by 3:00 p.m. not less than two Business Days prior to the Optional Tender Date	Written notice by 5:00 p.m. not less than seven days prior to the Optional Tender Date
Payment Date for Bonds subject to Optional Tender	Not later than 3:00 p.m. on the Optional Tender Date	Not later than 3:00 p.m. on the Optional Tender Date	Not later than 3:00 p.m. on the Optional Tender Date
Payment Date for Tendered Bonds upon Mandatory Tender	Not later than 3:00 p.m. on the Mandatory Tender Date	Not later than 3:00 p.m. on the Mandatory Tender Date	Not later than 3:00 p.m. on the Mandatory Tender Date

Note: All time references given above refer to New York City time.

The information in this Rate Period Table is provided for the convenience of the Bondholders and is not meant to be comprehensive. See “SECTION II: THE ADJUSTABLE RATE BONDS” and “APPENDIX B—ADJUSTABLE RATE BONDS” for a description of the Adjustable Rate Bonds.

⁽¹⁾ The Subseries C-4 Bonds will bear interest initially at a Daily Rate. The Subseries C-5 Bonds will bear interest initially at an Initial Rate for the Initial Rate Period commencing on Tuesday, December 4, 2012 until Wednesday, December 5, 2012 and thereafter at a Weekly Rate commencing on Thursday, December 6, 2012.

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WHILE THE ADJUSTABLE RATE BONDS MAY IN THE FUTURE BE CONVERTED TO INDEX RATE BONDS, AUCTION RATE BONDS, TERM RATE BONDS, FIXED RATE BONDS, STEPPED COUPON BONDS OR BONDS BEARING INTEREST AT A COMMERCIAL PAPER RATE, THIS OFFERING CIRCULAR DOES NOT DESCRIBE TERMS SPECIFICALLY APPLICABLE TO BONDS BEARING INTEREST AT RATES OTHER THAN THE DAILY RATE, TWO-DAY RATE OR WEEKLY RATE, NOR DOES IT DESCRIBE ADJUSTABLE RATE BONDS HELD BY THE LIQUIDITY PROVIDERS OR BY ANY REGISTERED OWNER OTHER THAN DTC.

Certain information in this Offering Circular has been provided by the City, the Liquidity Providers 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 or the Underwriters to give any information or to make any representation with respect to the Adjustable Rate 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 Adjustable Rate Bonds, by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The Underwriters 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 do not guaranty the accuracy or completeness of such information.

The information in Appendices C and D has been provided by JPMorgan and Sumitomo, respectively, and such appendices have not been independently confirmed or verified by the Authority or the Underwriters. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material changes in such information subsequent to the date hereof.

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 or the Underwriters 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 ADJUSTABLE RATE 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.

DELOITTE & TOUCHE LLP, THE AUTHORITY'S INDEPENDENT AUDITOR, HAS NOT REVIEWED, COMMENTED ON OR APPROVED, AND IS NOT ASSOCIATED WITH, THIS OFFERING CIRCULAR. THE REPORT OF DELOITTE & TOUCHE LLP RELATING TO THE AUTHORITY'S FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012, WHICH IS A MATTER OF PUBLIC RECORD, IS INCLUDED BY SPECIFIC REFERENCE IN THIS OFFERING CIRCULAR. HOWEVER, DELOITTE & TOUCHE LLP HAS NOT PERFORMED ANY PROCEDURES ON ANY FINANCIAL STATEMENTS OR OTHER FINANCIAL INFORMATION OF THE AUTHORITY, INCLUDING WITHOUT LIMITATION ANY OF THE INFORMATION INCLUDED BY SPECIFIC REFERENCE IN THIS OFFERING CIRCULAR, SINCE THE DATE OF SUCH REPORT AND HAS NOT BEEN ASKED TO CONSENT TO THE INCORPORATION BY SPECIFIC REFERENCE OF ITS REPORT IN THIS OFFERING CIRCULAR.

**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 Authority’s \$100,000,000 aggregate principal amount of Future Tax Secured Subordinate Bonds (Adjustable Rate Bonds), Fiscal 2013 Subseries C-4 (the “Subseries C-4 Bonds”) and \$148,000,000 aggregate principal amount of Future Tax Secured Subordinate Bonds (Adjustable Rate Bonds), Fiscal 2013 Subseries C-5 (the “Subseries C-5 Bonds” and, together with the Subseries C-4 Bonds, the “Adjustable Rate Bonds”). In addition to the Adjustable Rate Bonds, the Authority expects to issue its \$100,000,000 Future Tax Secured Tax-Exempt Subordinate Bonds, Fiscal 2013 Subseries C-1 (the “Subseries C-1 Bonds”), its \$100,000,000 Future Tax Secured Taxable Subordinate Bonds (Qualified School Construction Bonds), Fiscal 2013 Subseries C-2 (the “Subseries C-2 Bonds”), its \$130,000,000 Future Tax Secured Taxable Subordinate Bonds, Fiscal 2013 Subseries C-3 (the “Subseries C-3 Bonds” and, together with the Subseries C-1 Bonds and the Subseries C-2 Bonds, the “Series 2013 C Fixed Rate Bonds”), its \$310,900,000 Future Tax Secured Tax-Exempt Subordinate Bonds, Fiscal 2013 Series D (“the “Series 2013 D Bonds”) and its \$241,905,000 Future Tax Secured Tax-Exempt Subordinate Bonds, Fiscal 2013 Series E (the “Series 2013 E Bonds” and, together with the Series 2013 D Bonds, the “Refunding Bonds” and, together with the Series 2013 C Fixed Rate Bonds, the “Fixed Rate Bonds”). The Series 2013 C Fixed Rate Bonds and the Adjustable Rate Bonds are sometimes collectively referred to herein as the “Series 2013 C Bonds.” The Fixed Rate Bonds are offered pursuant to a separate offering circular. The Fixed Rate Bonds and the Adjustable Rate Bonds are sometimes collectively referred to herein as the “Series 2013 Bonds.” In addition to the Fixed Rate Bonds, on December 4, 2012 the Authority expects to reissue \$32,025,000 principal amount of its outstanding Future Tax Secured Subordinate Bonds, Fiscal 1999 Series A, Subseries A-1 (the “Reoffered Bonds”) to bear interest at fixed rates to maturity. The Reoffered Bonds are being reoffered by a separate reoffering circular. Portions of the Authority’s Offering Circular, dated November 16, 2012, relating to the Fixed Rate Bonds (the “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 (the “Act”). The Adjustable Rate Bonds are being issued pursuant to the Act and the Amended and Restated Original Indenture, as restated December 1, 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 into 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 (as defined in the Indenture) and includes various covenants of the City. A summary of certain provisions of the Indenture and the Agreement, including 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 Adjustable Rate 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 Adjustable Rate Bonds described throughout this Offering Circular are complex and are not intended to be summarized 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 Fixed Rate Offering Circular delivered herewith relating to the 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 IV:	THE FIXED RATE BONDS—Debt Service Requirements
SECTION V:	THE AUTHORITY
SECTION VI:	LITIGATION
SECTION IX:	APPROVAL OF LEGALITY
SECTION X:	FINANCIAL ADVISORS
SECTION XI:	FINANCIAL STATEMENTS
SECTION XII:	CONTINUING DISCLOSURE UNDERTAKING
SECTION XV:	LEGAL INVESTMENT
SECTION XVI:	MISCELLANEOUS
APPENDIX A:	SUMMARY OF INDENTURE AND AGREEMENT
APPENDIX B:	FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
APPENDIX C:	VARIABLE RATE BONDS

The Fixed Rate Bonds described in the Fixed Rate Offering Circular are not being offered by this Offering Circular. In addition, all references to the Fixed Rate Bonds, the Future Tax Secured Bonds or the Series 2013 Bonds in the information included under the foregoing captions of the Fixed Rate Offering Circular shall include the Adjustable Rate Bonds.

SECTION II: THE ADJUSTABLE RATE BONDS

General

The Adjustable Rate Bonds bearing a Daily Rate, a Two-Day Rate or a Weekly Rate shall be fully registered Bonds in the denomination of \$100,000 or any integral multiple of \$5,000 in excess thereof (“Authorized Denominations”). The Adjustable Rate Bonds shall bear interest from their date of issuance as described on the cover page hereof and as described in “APPENDIX B—ADJUSTABLE RATE BONDS.” The rate of interest for any Rate Period shall be determined as provided in the Indenture and each determination of rate or period shall be conclusive and binding upon the Authority, the Trustee and the Bondholders. The Subseries C-4 Bonds will bear interest initially at a Daily Rate. The Subseries C-5 Bonds will bear interest initially at an Initial Rate for an Initial Rate Period commencing on Tuesday, December 4, 2012 until Wednesday, December 5, 2012 and thereafter at a Weekly Rate commencing on Thursday, December 6, 2012. Terms used in this Offering Circular and not defined herein are defined in “APPENDIX A—DEFINITIONS.”

The Adjustable Rate Bonds are subject to optional and mandatory tender under the circumstances described herein. Payment of the Purchase Price of the Subseries C-4 Bonds tendered for purchase as described herein and not remarketed will be made pursuant and subject to the terms of the Standby Bond Purchase Agreement, dated as of November 1, 2012 (the “JPMorgan Liquidity Facility”), described herein, between the Authority and JPMorgan Chase Bank, National Association (“JPMorgan”), the Liquidity Provider for the Subseries C-4 Bonds. The JPMorgan Liquidity Facility is scheduled to terminate on November 30, 2015. Payment of the Purchase Price of the Subseries C-5 Bonds tendered for purchase as described herein and not remarketed will be made pursuant and subject to the terms of a standby letter of credit (the “Standby Letter of Credit”) described herein issued by Sumitomo Mitsui Banking Corporation, acting through its New York Branch (“Sumitomo”) pursuant to that certain Standby Letter of Credit and Reimbursement Agreement dated as of December 1, 2012 (the “Reimbursement Agreement”) between the Authority and Sumitomo. The Standby Letter of Credit is scheduled to terminate on December 4, 2015. The Standby Letter of Credit constitutes a Liquidity Facility under the Indenture. See “SECTION II: THE ADJUSTABLE RATE BONDS—Liquidity Providers.” **Each Liquidity Facility is subject to immediate termination without notice upon the occurrence of certain events, as described herein.** See “SECTION II: THE ADJUSTABLE RATE BONDS—JPMorgan Liquidity Facility” and “—Sumitomo Standby Letter of Credit.”

The Adjustable Rate Bonds may be converted to or from the Daily Rate Mode, Two-Day Rate Mode or Weekly Rate Mode as described in “APPENDIX B—ADJUSTABLE RATE BONDS—Conversion.” Any such conversion would result in a mandatory tender of the Bonds being so converted. The Adjustable Rate Bonds may also be converted to bear interest at a Term Rate, Fixed Rate, Commercial Paper Rate, Stepped Coupon Rate or Auction Rate. This Offering Circular only describes the Adjustable Rate Bonds bearing interest at a Daily Rate, a Two-Day Rate or a Weekly Rate. It is currently anticipated that, should any Adjustable Rate Bonds be converted to a Term Rate, Fixed Rate, Commercial Paper Rate, Stepped Coupon Rate or Auction Rate, a remarketing circular will be distributed describing, among other things, such Term Rate, Fixed Rate, Commercial Paper Rate, Stepped Coupon Rate or Auction Rate. For a summary of the terms of the Adjustable Rate Bonds, including optional and mandatory tender provisions, see the inside cover page, “APPENDIX A—DEFINITIONS” and “APPENDIX B—ADJUSTABLE RATE BONDS.”

JPMorgan Liquidity Facility

General. The following summary of the JPMorgan Liquidity Facility does not purport to be comprehensive or definitive and is subject to all of the terms and provisions of the JPMorgan Liquidity Facility to which reference is made hereby. Investors should obtain and review a copy of the JPMorgan Liquidity Facility in order to understand all of the terms of that document.

The JPMorgan Liquidity Facility contains various provisions, covenants and conditions, certain of which are summarized below. Various words or terms used in the following summary are defined in this Offering Circular, the JPMorgan Liquidity Facility, the Indenture or the Series Resolution, and reference thereto is made for full understanding of their import.

Upon compliance with the terms and conditions of the JPMorgan Liquidity Facility, and subject to the terms and conditions set forth therein, JPMorgan is obligated to purchase, during the Purchase Period (as defined in the JPMorgan Liquidity Facility), Subseries C-4 Bonds tendered or deemed tendered from time to time pursuant to an optional or mandatory tender by owners thereof, in each case, to the extent such applicable Subseries C-4 Bonds are not remarketed by the Remarketing Agent. Under the JPMorgan Liquidity Facility, JPMorgan is initially obligated to make available an amount equal to the then outstanding aggregate principal amount of the Subseries C-4 Bonds plus 35 days' interest thereon at the rate of 9% per annum (together, the "Available Commitment"). To the extent that JPMorgan purchases Subseries C-4 Bonds under the JPMorgan Liquidity Facility, the Available Commitment will be reduced by the principal amount of and accrued interest on the Subseries C-4 Bonds so purchased, subject to reinstatement upon remarketing of such purchased Subseries C-4 Bonds in accordance with the provisions of the JPMorgan Liquidity Facility. The JPMorgan Liquidity Facility will expire on November 30, 2015, unless extended or terminated pursuant to its terms.

Under the terms of the JPMorgan Liquidity Facility, the Authority is obligated to reimburse JPMorgan for any amounts paid by JPMorgan in accordance with the terms of the JPMorgan Liquidity Facility, and to pay to JPMorgan any fees and other obligations due and owing to JPMorgan under the JPMorgan Liquidity Facility and the Letter Agreement (as defined in the JPMorgan Liquidity Facility).

Under certain circumstances described below, the obligation of JPMorgan to purchase the Subseries C-4 Bonds tendered or deemed tendered by the owners thereof pursuant to an optional or mandatory tender may be automatically and immediately suspended or terminated without notice to the bondholders. In such event, sufficient funds may not be available to purchase Subseries C-4 Bonds tendered or deemed tendered by the owners thereof pursuant to an optional or mandatory tender. In addition, the JPMorgan Liquidity Facility does not provide support or security for the payment of principal of, premium, if any, or interest on the Subseries C-4 Bonds.

Purchase of Tendered Bonds by JPMorgan. JPMorgan will, on the terms and subject to the conditions contained in the JPMorgan Liquidity Facility, purchase at the Purchase Price (as defined in the JPMorgan Liquidity Facility), Subseries C-4 Bonds bearing interest at a Daily Rate, a Two-Day Rate or a Weekly Rate that are properly tendered in accordance with the provisions of the Subseries C-4 Bonds, the Indenture and the Series Resolution and that are not remarketed from time to time during the Purchase Period pursuant to the Indenture.

The aggregate principal amount of Subseries C-4 Bonds purchased by JPMorgan on any Purchase Date will not exceed the Available Principal Commitment on such date, and the aggregate amount of the Purchase Price comprising interest on Subseries C-4 Bonds purchased by JPMorgan on any Purchase Date shall not exceed the lesser of (1) the Available Interest Commitment (as defined in the JPMorgan Liquidity Facility) and (2) the actual amount of interest accrued and unpaid on such Subseries C-4 Bonds to but excluding such date. To the extent the Purchase Date shall coincide with an Interest Payment Date, JPMorgan is not required to make a payment with respect to the accrued interest on such date.

Certain Events of Default. The following events, among others, constitute Events of Default under the JPMorgan Liquidity Facility. Reference is made to the JPMorgan Liquidity Facility for a complete listing of all Events of Default.

(a) (i) The Authority shall fail to make any principal or interest payment when due on the Subseries C-4 Bonds (including any Purchased Bonds, as defined in the JPMorgan Liquidity Facility) or on Parity Secured Indebtedness (as defined in the JPMorgan Liquidity Facility) (regardless of any waiver thereof by the holders of the Subseries C-4 Bonds or such indebtedness) or (ii) any default by the Authority shall occur and be continuing in the payment of principal of or interest on any bond, note or other similar evidence of indebtedness issued, assumed or guaranteed by the Authority that is senior to or on a parity with the Authority's obligation to pay principal of and interest on Subseries C-4 Bonds; *provided, however*, that a failure to pay any such guarantee as a result of any set-off, recoupment, counterclaim or any other defense by the Authority shall not constitute a default under the JPMorgan Liquidity Facility;

(b) (i) the State or any other governmental authority having jurisdiction over the Authority imposes a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on repayment when due and payable of the principal of or interest on the any debt obligations of the Authority that are senior to or on a parity with the Subseries C-4 Bonds or (ii) the Authority (A) applies for or consents to the appointment of, or there shall have occurred the

taking or possession by, a receiver, custodian, trustee, liquidator or sequestrator (or other similar official) of itself or of all or of a substantial part of its property or assets, (B) admits in writing its inability to pay its debts as they become due or becomes insolvent within the meaning of Section 101(32) of the Bankruptcy Code (as defined in the JPMorgan Liquidity Facility), (C) makes a general assignment for the benefit of creditors, (D) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, winding-up or composition or adjustment of debts or (E) takes any action for the purpose of effecting any of the acts set forth in clauses (A) through (D) above;

(c) An involuntary case or other proceeding shall be commenced against the Authority seeking liquidation, reorganization or other similar relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it, and such involuntary case shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Authority under the federal bankruptcy laws as now or hereafter in effect;

(d) A final, nonappealable judgment shall be issued by a court of competent jurisdiction that the Subseries C-4 Bonds or any material provision of the JPMorgan Liquidity Facility or of the Indenture relating to the payment of principal or interest on the Subseries C-4 Bonds shall cease for any reason to be valid and binding, or the Authority shall initiate legal proceedings or assert in legal proceedings that the Subseries C-4 Bonds or any provision of the JPMorgan Liquidity Facility or of the Indenture relating to the payment of principal or interest on the Subseries C-4 Bonds is invalid or that the Authority has no liability thereon; or

(e) The ratings assigned by Moody's, S&P and Fitch to the Subseries C-4 Bonds are withdrawn (as a result of a credit-related event) or reduced below "Baa3," "BBB-" and "BBB-," respectively.

Notwithstanding the foregoing, a payment default by the Authority under the JPMorgan Liquidity Facility shall not constitute an Event of Default if (x) the Authority promptly notifies JPMorgan that the default was caused solely by an error or omission of an administrative or operational nature; (y) funds were available to enable the Authority to make the payment when due; and (z) the payment is made within two Business Days of the Authority's receipt of written notice of its failure to pay.

Remedies. The following are remedies available to JPMorgan under the JPMorgan Liquidity Facility upon the occurrence of certain events of default thereunder:

Termination. In the case of an Event of Default described under the subheading "Certain Events of Default" above (an "Event of Termination"), the Available Commitment (as defined in the JPMorgan Liquidity Facility) and the obligation of JPMorgan under the JPMorgan Liquidity Facility to purchase Subseries C-4 Bonds shall immediately terminate without notice or demand to any person, and thereafter JPMorgan shall be under no obligation to purchase such Subseries C-4 Bonds. Promptly upon the occurrence of such Event of Termination, JPMorgan shall give written notice of the same to the Authority, the Fiscal Agent, the Tender Agent and the Remarketing Agent, but JPMorgan shall incur no liability or responsibility by reason of its failure to give such notice and such failure shall in no way affect the termination of the Available Commitment and its obligation to purchase such Subseries C-4 Bonds pursuant to the JPMorgan Liquidity Facility.

Suspension. Upon the occurrence of a Default (as defined in the JPMorgan Liquidity Facility) described in paragraph (c) under the subheading "Certain Events of Default" above relating to any involuntary case or other proceeding described in paragraph (c) under the subheading "Certain Events of Default" above being commenced against the Authority under the Bankruptcy Code, the Available Allocated Commitments for all Tranches and the obligation of JPMorgan under the JPMorgan Liquidity Facility to purchase Subseries C-4 Bonds each shall be suspended without notice or demand to any Person, and thereafter JPMorgan shall be under no obligation to purchase Subseries C-4 Bonds, until the proceeding referred to therein is terminated prior to the court entering an order granting the relief sought in such proceeding. The Available Allocated Commitments for all Tranches and the obligation of JPMorgan under the JPMorgan Liquidity Facility immediately shall be reinstated and all terms of the JPMorgan Liquidity Facility will continue in full force and effect (unless the JPMorgan Liquidity Facility shall otherwise have terminated by its terms) as if there had been no such suspension on the date such proceeding is so terminated.

In the event of the issuance of any judgment that is appealable or not final but is otherwise described in paragraph (d) under the subheading “Certain Events of Default” above (such judgment a “Nonfinal Invalidation Judgment”), if such Nonfinal Invalidation Judgment has not been overturned or stayed upon appeal within 30 days after issuance thereof, the Available Allocated Commitments for all Tranches and the obligation of JPMorgan under the JPMorgan Liquidity Facility to purchase Subseries C-4 Bonds each shall be suspended without notice or demand to any person, and thereafter JPMorgan shall be under no obligation to purchase Subseries C-4 Bonds, until such obligation is reinstated as specified below. Following any such suspension, the Available Allocated Commitments for all Tranches and the obligation of JPMorgan under the JPMorgan Liquidity Facility each immediately shall terminate and JPMorgan shall be under no further obligation to purchase Subseries C-4 Bonds under the JPMorgan Liquidity Facility (i) from the date on which a court of competent jurisdiction shall enter a final, nonappealable judgment that the Subseries C-4 Bonds or any provision of the JPMorgan Liquidity Facility or of the Series Resolution relating to the payment of principal of or interest on the Subseries C-4 Bonds shall cease for any reason to be valid and binding and (ii) from the date that is three years after the date of issuance of the relevant Nonfinal Invalidation Judgment, if on such date the relevant litigation is still pending and a final and nonappealable judgment related thereto has not been obtained. The Available Allocated Commitments for all Tranches and the obligation of JPMorgan under the JPMorgan Liquidity Facility immediately shall be reinstated and the terms of the JPMorgan Liquidity Facility will continue in full force and effect (unless the JPMorgan Liquidity Facility shall otherwise have terminated by its terms) as if there had been no such suspension on the date on which a court of competent jurisdiction shall issue a judgment that the Subseries C-4 Bonds or any provision of the JPMorgan Liquidity Facility or of the Series Resolution, as applicable, relating to the payment of principal of or interest on the Subseries C-4 Bonds is valid and binding.

Mandatory Tender. Upon the occurrence of any Event of Default other than those set forth under the subheading “Certain Events of Default” above (but only if such Event of Default under the JPMorgan Liquidity Facility continues for at least five Business Days after notice thereof is given to the Authority by JPMorgan), JPMorgan, in its sole discretion, may (x) give written notice (a “Notice of Default”) of such Event of Default under the JPMorgan Liquidity Facility to the applicable Remarketing Agent or Remarketing Agents and to the Fiscal Agent and the Tender Agent requesting a mandatory tender of all or any portion of the Subseries C-4 Bonds pursuant to the Indenture and stating that the obligation of JPMorgan to purchase such Subseries C-4 Bonds shall terminate 15 days after such notice is received by the Tender Agent and on such date the Available Commitment shall terminate and JPMorgan shall be under no obligation under the JPMorgan Liquidity Facility to purchase such Subseries C-4 Bonds after such date or (y) give a written notice (a “Conversion Notice”) to the Authority directing the Authority to convert to a Fixed Rate all or any portion of the Subseries C-4 Bonds. Upon conversion to the Fixed Rate, JPMorgan agrees to purchase the Subseries C-4 Bonds so converted and not remarketed, subject to and in accordance with the terms of the JPMorgan Liquidity Facility.

Sumitomo Standby Letter of Credit

General. Sumitomo will issue, on December 4, 2012, its Standby Letter of Credit supporting the Subseries C-5 Bonds, pursuant to the Reimbursement Agreement. The following summarizes certain provisions of the Standby Letter of Credit and the Reimbursement Agreement, to which documents reference is made for the complete provisions thereof. Investors should obtain and review a copy of the Reimbursement Agreement and the Standby Letter of Credit in order to understand all of the terms and provisions of those documents. The provisions of any substitute liquidity facility may be different from those summarized below.

The Standby Letter of Credit. The Standby Letter of Credit will be issued in an amount equal to the initial aggregate outstanding principal amount of the Subseries C-5 Bonds, plus 35 days’ interest thereon at the rate of 9% per annum (the “Cap Interest Rate”), calculated on the basis of a 365-day year. The Tender Agent, upon compliance with the terms of the Standby Letter of Credit, and subject to the terms and conditions set forth therein, is authorized to draw up to (a) an amount sufficient to pay the portion of the purchase price of the Subseries C-5 Bonds tendered for purchase pursuant to a demand for purchase by the owner thereof or a mandatory tender for purchase and not remarketed (a “Liquidity Drawing”) equal to the principal amount of the Subseries C-5 Bonds, plus (b) an amount not to exceed 35 days’ of accrued interest on the Subseries C-5 Bonds at the Cap Interest Rate to pay the portion of the purchase price of the Subseries C-5 Bonds tendered for purchase pursuant to a demand for purchase by the owner thereof or a mandatory tender for purchase and not remarketed, equal to the interest accrued, if any, on such Subseries C-5 Bonds. The Standby Letter of Credit is in the form of a letter of credit, but, nonetheless, is a conditional obligation of Sumitomo. The obligations of Sumitomo under the Standby Letter of Credit are subject to immediate termination or suspension without notice and no Liquidity Drawing will be honored by Sumitomo upon the

occurrence of a Termination Event (as hereinafter defined) or upon the occurrence and during the continuance of an event which causes the suspension of Sumitomo's obligation to honor Liquidity Drawings under the Standby Letter of Credit as described in the second and third paragraphs under the heading "Remedies – Termination and Suspension" below (each a "Suspension Event").

The amount available under the Standby Letter of Credit will be reduced automatically by the amount of any Liquidity Drawing thereunder, subject to reinstatement as described below. Prior to the Conversion Date (as defined below) upon a remarketing of the Subseries C-5 Bonds (or portions thereof) previously purchased with the proceeds of such Liquidity Drawing, Sumitomo's obligation to honor drawings under the Standby Letter of Credit will be automatically reinstated in an amount set forth in a reinstatement certificate concurrently upon receipt by Sumitomo of such reinstatement certificate and the amount set forth therein.

The Standby Letter of Credit will terminate on the earliest of Sumitomo's close of business on (a) the stated expiration date (December 4, 2015); (b) the Business Day following the date on which all of the Subseries C-5 Bonds are converted to an interest rate other than the Weekly Rate (the "Conversion Date"); (c) the date of Sumitomo's receipt of a certificate from the Tender Agent specifying that no Subseries C-5 Bonds remain Outstanding within the meaning of the Indenture and the Resolution (as defined in the Reimbursement Agreement), all drawings required to be made under the Resolution and available under the Standby Letter of Credit have been made and honored, or that a substitute liquidity facility has been issued to replace the Standby Letter of Credit pursuant to the Resolution and the Reimbursement Agreement; (d) the date on which a Termination Event (as hereinafter defined) shall occur under the Reimbursement Agreement; and (e) following a mandatory tender of the Subseries C-5 Bonds after the occurrence of certain Events of Default under the Reimbursement Agreement.

Certain Events of Default. Pursuant to the Reimbursement Agreement, the occurrence of any of the following events, among others, shall constitute an Event of Default thereunder. Reference is made to the Reimbursement Agreement for a complete listing of all Events of Default:

(a) (i) the Authority shall fail to (x) pay when due any principal of or premium, if any, or interest on the Bonds (regardless of any waiver thereof by the holders of the Subseries C-5 Bonds) or Purchased Bonds (as defined in the Reimbursement Agreement) or (y) repay any Liquidity Drawing or Liquidity Advance (each as defined in the Reimbursement Agreement) (it being understood that payment of the related Purchased Bonds shall constitute payment of the related Liquidity Drawings and Liquidity Advances), or (ii) any default by the Authority shall occur and be continuing in the payment of principal of or premium, if any, or interest on any bond, note or other similar evidence of indebtedness issued or assumed by the Authority that is secured by or payable from the Tax Revenues on a basis that is senior to or on a parity with the Subseries C-5 Bonds, the Purchased Bonds, the Liquidity Drawings and the Liquidity Advances, or (iii) pursuant to the provisions of any resolution, indenture, contract or other instrument, the maturity of any bond, note or other similar evidence of indebtedness issued or assumed by the Authority that is secured by or payable from the Tax Revenues on a basis that is senior to or on a parity with the Subseries C-5 Bonds, the Purchased Bonds and the related Liquidity Drawing and Liquidity Advance, as the result of the occurrence of any default with respect to the payment of any principal or interest thereunder, shall be accelerated or required to be paid prior to the stated maturity thereof; or

(b) each of Moody's, S&P and Fitch shall assign a rating to any Parity Debt (as defined in the Reimbursement Agreement) or Senior Lien Debt (as defined in the Reimbursement Agreement) below "Baa3" in the case of Moody's and below "BBB-" in the case of S&P and Fitch or withdraw or suspend any such rating for a credit-related reason; or

(c) (i) (A) the Authority shall impose a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on any debt obligations of the Authority secured by a lien on Tax Revenues on a basis that is senior to or on a parity with the Bonds, the Purchased Bonds, the Liquidity Drawings and the Liquidity Advances or (B) the State or any other governmental authority having appropriate jurisdiction over the Authority shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or a decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on repayment when due and payable on the Bonds, the Purchased Bonds, the Liquidity Drawings or the Liquidity Advances or all debt obligations of the Authority secured by a lien on Tax Revenues on a basis that is senior to or on a parity with the Bonds, the Purchased Bonds, the Liquidity Drawings and the Liquidity Advances, or (ii) the

Authority shall (A) apply for or consent to the appointment of, or there shall occur the taking or possession by, a receiver, custodian, trustee, liquidator or sequestrator (or other similar official) of itself or of all or of a substantial part of its property or assets, (B) admit in writing its inability to pay its debts as they become due or shall become insolvent within the meaning of Section 101(32) of the United States Bankruptcy Code, (C) make a general assignment for the benefit of creditors, (D) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, winding-up or composition or adjustment of debts or (E) take any action for the purpose of effecting any of the acts set forth in clauses (A) through (D) above or (iii) an involuntary case or other proceeding shall be commenced against the Authority seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official for it or any substantial part of its property, and such involuntary case shall remain undismitted and unstayed for a period of 60 days; or (iv) an order for relief shall be entered against the Authority under the United States Bankruptcy Code as now or hereafter in effect; or

(d) (i) a final, nonappealable judgment shall be issued by a court of competent jurisdiction that the Subseries C-5 Bonds (including Purchased Bonds) or any provision of the Reimbursement Agreement, the Indenture or of the Resolution (as defined in the Reimbursement Agreement) relating to (A) the payment of principal or interest on any Subseries C-5 Bonds (including Purchased Bonds) or the repayment of the related Liquidity Drawings or the Liquidity Advances or (B) the pledge of the Tax Revenues supporting the Subseries C-5 Bonds, the Purchased Bonds or the related Liquidity Drawings and Liquidity Advances shall cease for any reason to be valid and binding, or (ii) the Authority shall initiate legal proceedings or assert in legal proceedings or otherwise publicly contest, acting through an official of the Authority having authority to do so, that the Subseries C-5 Bonds or any provision of the Reimbursement Agreement, the Indenture or of the Resolution relating to (A) the payment of principal or interest on the Subseries C-5 Bonds (including Purchased Bonds) or the related Liquidity Drawings or Liquidity Advances or (B) the pledge of the Tax Revenues supporting the Subseries C-5 Bonds, the Purchased Bonds or the related Liquidity Drawings and Liquidity Advances is invalid or that the Authority has no liability thereon; or

(e) a final, nonappealable money judgment shall be entered by a court or other regulatory body of competent jurisdiction against the Authority in an amount in excess of ten million dollars (\$10,000,000) and the Authority shall have failed to satisfy said money judgment within ninety (90) days from the first date when said judgment shall have become enforceable and subject to collection in accordance with its terms.

Remedies – Termination and Suspension. Upon the occurrence of an Event of Default described under the heading “Certain Events of Default” above (each a “Termination Event”), the obligation of Sumitomo to purchase Subseries C-5 Bonds will immediately terminate without notice or demand and thereafter Sumitomo will be under no obligation to honor Liquidity Drawings under the Standby Letter of Credit. Promptly after Sumitomo receives written notice of any Termination Event, Sumitomo will give written notice of the same to the Tender Agent, the Authority and the Remarketing Agent; *provided, however,* that Sumitomo will incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure will in no way affect the termination of Sumitomo’s obligation to purchase Subseries C-5 Bonds pursuant to the Standby Letter of Credit.

In the event of the issuance of any judgment that is appealable or not final but is otherwise described in clause (d)(i) under the heading “Certain Events of Default” above (such judgment a “Nonfinal Invalidation Judgment”), if such Nonfinal Invalidation Judgment has not been overturned or stayed upon appeal within 30 days after issuance thereof, the obligation of Sumitomo to honor Liquidity Drawings under the Standby Letter of Credit and to purchase Subseries C-5 Bonds each shall be suspended without notice or demand to any person, and thereafter Sumitomo shall be under no obligation to honor Liquidity Drawings under the Standby Letter of Credit or to purchase Subseries C-5 Bonds, from the thirtieth (30th) day after issuance of such Nonfinal Invalidation Judgment until such obligation is reinstated as specified below. Sumitomo’s obligation to honor Liquidity Drawings under the Standby Letter of Credit or to purchase Subseries C-5 Bonds following the stay of any Nonfinal Invalidation Judgment shall be suspended immediately (without the lapse of another thirty day time period) if such stay is lifted pursuant to a subsequent Nonfinal Invalidation Judgment. Following any such suspension, the obligation of Sumitomo to honor Liquidity Drawings under the Standby Letter of Credit and to purchase Subseries C-5 Bonds each immediately shall terminate and Sumitomo shall be under no further obligation to honor Liquidity Drawings under the Standby Letter of Credit or to purchase Subseries C-5 Bonds (i) from the date on which a court of competent jurisdiction shall enter a final, nonappealable judgment that the Subseries C-5 Bonds or any provision of the Reimbursement Agreement or of the Resolution relating to (A) the payment of principal of or interest on the Subseries C-5 Bonds, the Purchased Bonds or the related Liquidity Drawings and

Liquidity Advances or (B) the pledge of Tax Revenues supporting the Subseries C-5 Bonds, the Purchased Bonds and the related Liquidity Drawings and Liquidity Advances, as applicable, shall cease for any reason to be valid and binding and (ii) from the date that is the earlier to occur of the date the Standby Letter of Credit terminates in accordance with its terms and the date that is three years after the date of issuance of the relevant Nonfinal Invalidation Judgment, if on such date the relevant litigation is still pending and a final and nonappealable judgment related thereto has not been obtained. The obligation of Sumitomo to honor Liquidity Drawings under the Standby Letter of Credit or to purchase Subseries C-5 Bonds immediately shall be reinstated and the terms of the Standby Letter of Credit and the Reimbursement Agreement will continue in full force and effect (unless the Standby Letter of Credit shall otherwise have terminated by its terms) as if there had been no such suspension on the date on which a court of competent jurisdiction shall issue a judgment that the Subseries C-5 Bonds or any provision of the Reimbursement Agreement or of the Resolution, as applicable, relating to (A) the payment of principal of or interest on the Subseries C-5 Bonds, Purchased Bonds or the related Liquidity Drawings and Liquidity Advances or (B) the pledge of Tax Revenues supporting the Subseries C-5 Bonds, Purchased Bonds and the related Liquidity Drawings and Liquidity Advances, as applicable, is valid and binding.

Upon the occurrence of an event described in clause (c)(iii) under the heading “Certain Events of Default” above that would become an Event of Default after the passage of the 60 days time frame set forth therein relating to any involuntary case or other proceeding described in clause (c)(iii) under the heading “Certain Events of Default” above being commenced against the Authority under the United States Bankruptcy Code, the obligation of Sumitomo to honor Liquidity Drawings under the Standby Letter of Credit and to purchase Subseries C-5 Bonds with the proceeds thereof shall be immediately suspended until the proceeding referred to therein is terminated prior to the court entering an order granting the relief sought in such proceeding. In the event such proceeding is so terminated, the obligations of Sumitomo to honor Liquidity Drawings under the Standby Letter of Credit and to purchase Subseries C-5 Bonds with the proceeds thereof shall be reinstated and the terms of the Standby Letter of Credit and the Reimbursement Agreement will continue in full force and effect (unless the obligations of Sumitomo to honor Liquidity Drawings under the Standby Letter of Credit and to purchase Subseries C-5 Bonds with the proceeds thereof shall have otherwise terminated in accordance with the terms hereof and the terms of the Standby Letter of Credit) as if there had been no such suspension.

Other Remedies. Upon the occurrence of certain other Events of Default under the Reimbursement Agreement (not described herein), Sumitomo may, by notice to the Remarketing Agent and the Fiscal Agent, require a mandatory tender of the Subseries C-5 Bonds and thereafter terminate the Standby Letter of Credit. In addition, upon the occurrence of any Event of Default under the Reimbursement Agreement, Sumitomo may exercise all available remedies under the Related Documents or otherwise available at law or in equity.

Liquidity Providers

For information concerning the Liquidity Providers, see “APPENDIX C—JPMORGAN CHASE BANK, NATIONAL ASSOCIATION.” and “APPENDIX D—SUMITOMO MITSUI BANKING CORPORATION.” None of the Authority or the Underwriters are responsible for the accuracy of the information contained herein describing the Liquidity Providers.

Special Considerations Relating to the Adjustable Rate Bonds

The Remarketing Agents are Paid by the Authority. The responsibilities of the Remarketing Agents include determining the interest rate from time to time and remarketing the Adjustable Rate Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Indenture and the Remarketing Agreement), all as further described in this Offering Circular. The Remarketing Agents are appointed by the Authority and are paid by the Authority for their services. As a result, the interests of the Remarketing Agents may differ from those of existing Holders and potential purchasers of Adjustable Rate Bonds.

The Remarketing Agents Routinely Purchase Bonds for their Own Account. The Remarketing Agents act as remarketing agents for a variety of variable rate demand obligations and, in their sole discretion, routinely purchase such obligations for their own account. The Remarketing Agents are permitted, but not obligated, to purchase tendered Adjustable Rate Bonds for their own account and, in their sole discretion, may routinely acquire such tendered Adjustable Rate Bonds in order to achieve a successful remarketing of such Bonds (i.e., because there otherwise are not enough buyers to purchase the

Adjustable Rate Bonds) or for other reasons. However, the Remarketing Agents are not obligated to purchase Adjustable Rate Bonds, and may cease doing so at any time without notice. The Remarketing Agents may also make a market in the Adjustable Rate Bonds by routinely purchasing and selling Adjustable Rate Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agents are not required to make a market in the Adjustable Rate Bonds. The Remarketing Agents may also sell any Adjustable Rate Bonds they have purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce their exposure to the Adjustable Rate Bonds. The purchase of the Adjustable Rate Bonds by the Remarketing Agents may create the appearance that there is greater third party demand for the Adjustable Rate Bonds in the market than is actually the case. The practices described above also may result in fewer Adjustable Rate Bonds being tendered in a remarketing.

Bonds May be Offered at Different Prices on Any Date Including an Interest Rate Determination Date. Pursuant to the Indenture and the Remarketing Agreements, the Remarketing Agents are required to determine the applicable rate of interest that, in their judgment, is the lowest rate that would permit the sale of the Adjustable Rate Bonds they remarket at par plus accrued interest, if any, on the applicable interest rate determination date. The interest rate will reflect, among other factors, the level of market demand for the Adjustable Rate Bonds (including whether the Remarketing Agents are willing to purchase Adjustable Rate Bonds for their own account). There may or may not be Adjustable Rate Bonds tendered and remarketed on an interest rate determination date, the Remarketing Agents may or may not be able to remarket any Adjustable Rate Bonds tendered for purchase on such date at par and the Remarketing Agents may sell Adjustable Rate Bonds outside the tender process at varying prices to different investors on such date or any other date. The Remarketing Agents are not obligated to advise purchasers in a remarketing if they do not have third party buyers for all of the Adjustable Rate Bonds they remarket at the remarketing price. In the event a Remarketing Agent owns any Adjustable Rate Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Adjustable Rate Bonds on any date, including an interest rate determination date, at a discount to par to some investors.

The Ability to Sell the Bonds Other Than Through the Tender Process May Be Limited. The Remarketing Agents may buy and sell Adjustable Rate Bonds other than through the tender process. However, they are not obligated to do so and may cease doing so at any time without notice and may require Holders that wish to tender their Adjustable Rate Bonds to do so through the Tender Agent with appropriate notice. Thus, investors who purchase the Adjustable Rate Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Adjustable Rate Bonds other than by tendering the Adjustable Rate Bonds in accordance with the tender process.

Optional Redemption

The Adjustable Rate Bonds bearing interest at Daily, Two-Day or Weekly Rates are subject to redemption prior to maturity, or purchase in lieu thereof as permitted by the Indenture, at the option of the Authority, in whole or in part, on any Optional Redemption Date and on 30 days' notice by mail to the Holders of the Bonds to be redeemed, at the principal amount thereof plus any interest accrued and unpaid thereon. Subject to the terms of the Indenture, the Authority may select amounts, rates and maturities of Adjustable Rate Bonds to be redeemed in its sole discretion.

Mandatory Redemption

The Adjustable Rate Bonds are Term Bonds subject to mandatory redemption upon 30 days' (but not more than 60 days') notice to Bondholders, by lot within each stated maturity, on each November 1 (or other Mandatory Redemption Date specified in the applicable Rate Mode) at a redemption price equal to the principal amount thereof, plus accrued interest, without premium, in the amounts set forth below:

Subseries C-4	
November 1,	Amount
2028	\$10,585,000
2029	10,825,000
2030	11,080,000
2031	11,345,000
2032	10,885,000
2033	11,155,000
2034	11,440,000
2035	11,790,000
2036	10,895,000 ⁽¹⁾

Subseries C-5	
November 1,	Amount
2036	\$16,890,000
2037	28,550,000
2038	29,350,000
2039	30,170,000
2040	30,970,000
2041	12,070,000 ⁽¹⁾

⁽¹⁾ Stated maturity.

At the option of the Authority, there shall be applied to or credited against any of the required amounts the principal amount of any such Adjustable Rate Bonds of the same Series that have been defeased, purchased or redeemed and not previously so applied or credited.

Defeased Adjustable Rate Bonds shall at the option of the Authority no longer be entitled, but may be subject, to the provisions thereof for mandatory redemption.

Use of Proceeds

The proceeds of the Adjustable Rate Bonds will be used to finance general City capital expenditures. Certain expenses of the Authority incurred in connection with the issuance and sale of the Adjustable Rate Bonds will be paid from the proceeds of the Adjustable Rate 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. References to the Securities under this caption "Book-Entry Only System" shall mean the Adjustable Rate Bonds. 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. 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"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 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. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Remarketing Agent's DTC account.

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 Underwriters makes 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 OR 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, 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 NONE OF THE AUTHORITY OR THE UNDERWRITERS MAKES 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.

Other Information

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

SECTION III: TAX MATTERS

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

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 Adjustable Rate 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 Adjustable Rate 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 Adjustable Rate Bonds to be includable in the gross income of the owners thereof retroactive to the date of the issue of the Adjustable Rate Bonds. Further, Bond Counsel will render no opinion as to the effect on the exclusion from gross income of interest on the Adjustable Rate Bonds of any action taken or not taken after the date of such opinion without the approval of Bond Counsel.

Interest on the Adjustable Rate Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum tax, and is not included as an adjustment in calculating federal corporate alternative minimum taxable income for purposes of determining a corporation’s alternative minimum tax liability. The Code contains other provisions (some of which are noted below) that could result in tax consequences, upon which Sidley Austin LLP renders no opinion, as a result of (i) ownership of such Adjustable Rate Bonds or (ii) the inclusion in certain computations of interest that is excluded from gross income.

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 Adjustable Rate 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 Adjustable Rate 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 Adjustable Rate Bonds to be subject, directly or indirectly, to federal income taxation or cause interest on the Adjustable Rate 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 Adjustable Rate Bonds. Prospective purchasers of the Adjustable Rate 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: UNDERWRITING

The Subseries C-4 Bonds are being purchased for reoffering by J.P. Morgan Securities, LLC as the Underwriter of the Subseries C-4 Bonds. J.P. Morgan Securities, LLC has agreed, subject to certain conditions, to purchase the Subseries C-4 Bonds from the Authority at an aggregate underwriter's discount of \$2,047.86 and to make an initial public offering of the Subseries C-4 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. J.P. Morgan Securities, LLC will be obligated to purchase all the Subseries C-4 Bonds if any Subseries C-4 Bonds are purchased.

The Subseries C-5 Bonds are being purchased for reoffering by TD Securities (USA) LLC as the Underwriter of the Subseries C-5 Bonds. TD Securities (USA) LLC has agreed, subject to certain conditions, to purchase the Subseries C-5 Bonds from the Authority at an aggregate underwriter's discount of \$2,577 and to make an initial public offering of the Subseries C-5 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. TD Securities (USA) LLC will be obligated to purchase all of the Subseries C-5 Bonds if any of the Subseries C-5 Bonds are purchased.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority 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 may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

The delivery of each subseries of the Adjustable Rate Bonds is dependent upon the delivery of each subseries of the Series 2013 C Bonds.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

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DEFINITIONS

“*Adjustable Rate Bonds*” or “*Bonds*” means the Authority’s Future Tax Secured Tax-Exempt Subordinate Bonds (Adjustable Rate Bonds), Fiscal 2013 Subseries C-4 and Future Tax Secured Tax-Exempt Subordinate Bonds (Adjustable Rate Bonds), Fiscal 2013 Subseries C-5 that are in the Daily Rate Mode, the Two-Day Mode or the Weekly Rate Mode.

“*Authority Account*” means the account so designated in the Purchase and Remarketing Fund.

“*Authorized Denominations*” means, during any Daily Rate Period, any Two-Day Rate Period or any Weekly Rate Period, \$100,000 or any integral multiple of \$5,000 in excess of \$100,000.

“*Authorized Officer*” means in the case of the Authority, the Chairperson, the Executive Director, the General Counsel, the Treasurer, each Deputy Treasurer or Assistant Treasurer, the Secretary, each Deputy Secretary or Assistant Secretary, their successors in office, and any other person authorized to act thereunder by appropriate Written Notice to the Trustee.

“*Bank Bond*” means a Purchased Bond purchased by a Subseries Bank.

“*Bondholder*” or “*Holder*” or “*Owner*” means any person who shall be the registered owner of any Adjustable Rate Bonds.

“*Book Entry Form*” or “*Book Entry System*” means a form or system under which physical Adjustable Rate Bond certificates in fully registered form are registered only in the name of the Securities Depository, with the physical certificates “immobilized” in the custody of the Securities Depository.

“*Business Day*” means a day other than (i) a Saturday and Sunday or (ii) a day on which the Authority, the New York Stock Exchange, the Federal Reserve Bank of New York, the Trustee, the Tender Agent, the Remarketing Agents or banks and trust companies in New York, New York, are authorized or required to remain closed.

“*Conversion*” means a change in the Rate Mode of an Adjustable Rate Bond. To “Convert” is the act of Conversion.

“*Conversion Date*” means the Business Day of a Conversion or proposed Conversion.

“*Conversion Notice*” means a notice of Conversion.

“*Credit Facility*” means a Standby Agreement, letter of credit or other credit agreement that does not specify an event of immediate termination or suspension under which the Provider is not obligated to purchase Adjustable Rate Bonds and provides for the payment of principal and interest through the purchase of Bonds in the event of the Authority’s failure to pay interest or principal when due.

“*Daily Rate*” means the rate at which Adjustable Rate Bonds bear interest during a Daily Rate Period.

“*Daily Rate Mode*” means a Rate Mode in which Adjustable Rate Bonds bear interest at a Daily Rate.

“*Daily Rate Period*” means a period commencing on one Business Day and extending to, but not including, the next succeeding Business Day, during which Adjustable Rate Bonds bear interest at the Daily Rate.

“Default Notice” means a notice given by a Liquidity Provider pursuant to a Standby Agreement to the effect that an event of default thereunder has occurred and that the Standby Agreement issued by such Provider will terminate on the date specified in such notice or any comparable notice.

“Direct Participant” means a participant in the book-entry system of recording ownership interests in the Adjustable Rate Bonds.

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as Depository for the Adjustable Rate Bonds, or any successor Depository for any Adjustable Rate Bonds; and includes each nominee thereof.

“Electronic Means” means facsimile transmission, email transmission or other similar electronic means of communication providing evidence of transmission, including a telephone communication confirmed by any other method set forth in this definition.

“Expiration Date” means the fixed date on which a Standby Agreement will expire, as such date may be extended from time to time; and includes the date of an early termination of a Standby Agreement caused by the Authority (excluding a Termination Date).

“Favorable Opinion of Bond Counsel” shall mean an opinion of nationally recognized bond counsel, to the effect that the action proposed to be taken is authorized or permitted by the Indenture and will not adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

“Fiduciary” means each Trustee, Paying Agent or Tender Agent.

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

“Initial Period” means a period beginning on December 4, 2012 and ending on December 5, 2012 for the Subseries C-5 Bonds, or a period specified by the Authority, beginning on a Conversion Date. The day following an Initial Period shall be a Business Day and shall not be treated as a Conversion Date.

“Initial Rate” means the rate at which Adjustable Rate Bonds bear interest during an Initial Period.

“Interest Payment Date” means each Mandatory Tender Date, redemption date, maturity date and with respect to any Daily Rate Period, any Two-Day Rate Period or any Weekly Rate Period, the first Business Day of each month.

“Issue Date” means December 4, 2012.

“LFL” means the Local Financial Law of the State, as in effect from time to time.

“Liquidity Condition” means an event of immediate termination or suspension as specified in a Liquidity Facility, upon the occurrence of which the Bank is not obligated to purchase Adjustable Rate Bonds and, accordingly, such Bonds are not subject to tender for purchase.

“Liquidity Enhanced Bonds” means the Adjustable Rate Bonds bearing interest in the Daily Rate Mode, Two-Day Mode or Weekly Rate Mode.

“Liquidity Facility” means a Standby Agreement that is not a Credit Facility.

“Liquidity Provider;” “Provider;” “Standby Purchaser;” “Subseries Bank” or “Bank” means any provider of a Standby Agreement then in effect for the Adjustable Rate Bonds.

“*Mandatory Redemption Date*” means, in each year so specified in the Adjustable Rate Bonds, for Adjustable Rate Bonds in the Daily Rate Mode, the Two-Day Mode or the Weekly Rate Mode, the first Business Day in the Maturity Month (which will be an Interest Payment Date).

“*Mandatory Tender Date*” means any date on which an Adjustable Rate Bond is subject to mandatory tender in accordance with the Indenture.

“*Maturity Month*” and “*Opposite Month*” mean the respective months indicated below:

<u>Maturity Month</u>	<u>Opposite Month</u>
November	May

“*Maximum Rate*” means nine percent (9%) per annum.

“*Moody’s*” means Moody’s Investors Service, and its successors and assigns; references to Moody’s are effective so long as Moody’s is a Rating Agency.

“*Optional Redemption Date*” means for Bonds in the Daily Rate Mode, the Two-Day Rate Mode or the Weekly Rate Mode, any Business Day.

“*Optional Tender Date*” means any Business Day during a Daily Rate Period, Two-Day Rate Period or Weekly Rate Period.

“*Paying Agent*” means the Trustee and any additional paying agent for the Adjustable Rate Bonds designated by the Authority.

“*Purchase Account*” means the account so designated in each Purchase and Remarketing Fund.

“*Purchase and Remarketing Fund*” means the Fiscal 2013 Series C Purchase and Remarketing Fund established pursuant to the Indenture.

“*Purchase Price*” means 100% of the principal amount of any Tendered Bond, plus (if not otherwise provided for) accrued and unpaid interest thereon to the Tender Date.

“*Purchased Bond*” means any Adjustable Rate Bond held by, or held by the Tender Agent on behalf of, a Provider or a Qualified Purchaser pursuant to a Standby Agreement. References to Purchased Bonds and actions taken with respect thereto in accordance with the Indenture shall include the interest of a Provider or a Qualified Purchaser in Adjustable Rate Bonds held by the Tender Agent on behalf of a Provider or a Qualified Purchaser.

“*Qualified Purchaser*” means a person in whose name a Purchased Bond may, as provided in the applicable Standby Agreement, be registered or to whom a Purchased Bond may be transferred by or upon the order of a Provider without affecting the character of such Bond as a Purchased Bond.

“*Rate*” means each Daily Rate, Two-Day Rate or Weekly Rate.

“*Rate Mode*” or “*Mode*” means the Daily Rate Mode, Two-Day Rate Mode or Weekly Rate Mode.

“*Rate Period*” means any Daily Rate Period, Two-Day Rate Period or Weekly Rate Period.

“*Rating Agency*” means each nationally recognized statistical rating organization that has, at the request of the Authority, a short-term rating in effect for the Adjustable Rate Bonds.

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

“*Rating Confirmation*” means a written notice from each Rating Agency that its rating on the Adjustable Rate Bonds will not be suspended, withdrawn or reduced (by Fitch or Moody’s), or reduced in Rating Category (by other Rating Agencies) solely as a result of action proposed to be taken under the Indenture.

“*Record Date*” means, with respect to each Interest Payment Date (unless otherwise specified by an Officer’s Certificate), for any Daily Rate Period, Two-Day Rate Period or Weekly Rate Period, the close of business on the Business Day preceding such Interest Payment Date.

“*Remarketing Agent*” means each remarketing agent for the Adjustable Rate Bonds appointed and serving in such capacity.

“*Remarketing Agreement*” means each Remarketing Agreement between the Authority and the Remarketing Agent for the Adjustable Rate Bonds, as in effect from time to time.

“*Remarketing Proceeds Account*” means the account so designated in the Purchase and Remarketing Fund which may consist of one or more accounts established for the deposit of remarketing proceeds from the remarketing of one of more subseries of the Authority’s bonds into which such remarketing proceeds may be deposited prior to the withdrawal of such proceeds to pay the purchase price of tendered bonds of that subseries.

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

“*Securities Depository*” or “*Depository*” or “*DTC*” means the Depository Trust Company and its nominees, successors and assigns or any other securities depository selected by the Authority which agrees to follow the procedures required to be followed by such securities depository in connection with the Adjustable Rate Bonds.

“*Series Resolution*” means the resolution of the Authority pursuant to which the Authority authorizes, issues, sells and delivers the Adjustable Rate Bonds.

“*Standby Agreement*” or “*Alternate Standby Agreement*” means an agreement providing, to the extent required by the LFL, for the purchase of any Liquidity Enhanced Bonds, as in effect from time to time.

“*Standby Purchaser;*” “*Liquidity Provider;*” “*Provider;*” “*Subseries Bank*” or “*Bank*” means any provider of a Standby Agreement then in effect for Liquidity Enhanced Bonds.

“*Subseries*” means the Adjustable Rate Bonds or such other Subseries of Adjustable Rate Bonds as may be identified from time to time.

“*Tender Agent*” means the Trustee and any additional Tender Agent appointed by the Authority.

“*Tender Date*” means each Optional Tender Date or Mandatory Tender Date.

“*Tender Notice*” means the notice delivered by the Holder of a Liquidity Enhanced Bond subject to optional tender pursuant to the Indenture.

“*Tendered Bond*” means an Adjustable Rate Bond mandatorily tendered or tendered at the option of the Holder thereof for purchase in accordance with the Indenture, including an Adjustable Rate Bond deemed tendered, but not surrendered on the applicable Tender Date.

“Termination Date” means the date on which a Standby Agreement will terminate as set forth in a Default Notice delivered by the Provider in accordance with the Standby Agreement.

“Trustee” means The Bank of New York Mellon and its successors as the Authority’s Trustee.

“Two-Day Rate” means the rate at which Adjustable Rate Bonds bear interest during a Two-Day Rate Period.

“Two-Day Mode” means a Rate Mode in which Adjustable Rate Bonds bear interest at a Two-Day Rate.

“Two-Day Rate Period” means a period beginning on Monday, Wednesday or Friday that is a Business Day and extending to, but not including, the next day on which a Two-Day Rate is required to be reset.

“Weekly Rate” means the rate at which Adjustable Rate Bonds bear interest during a Weekly Rate Period.

“Weekly Rate Mode” means a Rate Mode in which Adjustable Rate Bonds bear interest at a Weekly Rate.

“Weekly Rate Period” means a period of 7 days commencing on the date specified in the Indenture, on a Conversion Date or on the date (Thursday unless otherwise specified by the Authority) following a Weekly Rate Period.

“Written Notice,” “written notice” or *“notice in writing”* means notice in writing which may be delivered by hand or first class mail and includes Electronic Means.

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ADJUSTABLE RATE BONDS

The Adjustable Rate Bonds are subject to the provisions summarized below. Capitalized terms used in this “APPENDIX B—ADJUSTABLE RATE BONDS” that are not otherwise defined in the Offering Circular are defined in “APPENDIX A—DEFINITIONS.”

General

During a Daily Rate Period, a Two-Day Rate Period or a Weekly Rate Period, interest will be computed on a basis of a 365-day or 366-day year for the actual number of days elapsed.

Interest on the Adjustable Rate Bonds will be the interest accruing and unpaid through and including the day preceding the Interest Payment Date and will be payable on each Interest Payment Date to the registered owner thereof as shown on the registration books kept by the Trustee at the close of business on the applicable Record Date.

The Adjustable Rate Bonds are subject to mandatory tender for purchase as described under “Mandatory Tender for Purchase” and, if such Bonds are in a Daily Rate Mode, a Two-Day Rate Mode or Weekly Rate Mode, are subject to optional tender for purchase as described under “Optional Tender for Purchase.” The Adjustable Rate Bonds will continue in a Rate Mode until converted to another Rate Mode and will bear interest at a rate determined in accordance with the procedures for determining the interest rate during such Rate Mode. See “Conversion” and “Interest Rates and Reset Dates” below.

Conversion

Subject to the conditions in the Indenture, the Authority may Convert all or a portion of the Adjustable Rate Bonds by delivering a Conversion Notice to the affected Holders and, as applicable, the Remarketing Agent, the applicable Standby Purchaser, the Trustee and the Tender Agent specifying the Adjustable Rate Bonds to be converted, the Conversion Date and the Rate Mode that will be effective on the Conversion Date. The Authority must deliver such Conversion Notice not less than 15 days prior to the Conversion Date or a shorter period (not less than 10 days) if acceptable to DTC.

The Tender Agent, no later than three days after receipt of the Conversion Notice, is to give notice by first-class mail to the Holders of Bonds to be Converted, which notice must state (i) the Conversion Date; (ii) that the Adjustable Rate Bonds will not be converted unless the Authority receives on the Conversion Date a Favorable Opinion of Bond Counsel; (iii) the name and address of the principal corporate trust offices of the Trustee and Tender Agent; (iv) that the Bonds to be Converted will be subject to mandatory tender for purchase on the Conversion date at the Purchase Price; and (v) that upon the Conversion, if there is on deposit with the Tender Agent (which term includes the Trustee for this purpose) on the Conversion Date an amount sufficient to pay the Purchase Price of the Bonds so converted, such Bonds not delivered to the Tender Agent will be deemed to have been properly tendered for purchase and will cease to represent a right on behalf of the Holder thereof to the payment of principal of or interest thereon and shall represent only the right to payment of the Purchase Price on deposit with the Tender Agent, without interest accruing thereon from and after the Conversion Date.

If less than all of the Adjustable Rate Bonds of a Subseries then subject to a particular Rate Mode are to be converted to a new Rate Mode, the particular Adjustable Rate Bonds which are to be converted to a new Rate Mode will be selected by the Trustee (or, if the Authority so elects, the Authority) subject to the provisions of the Indenture regarding Authorized Denominations.

If a Favorable Opinion of Bond Counsel cannot be obtained, or if the election to Convert was withdrawn by the Authority, or if the Remarketing Agent has notified the Trustee, the Authority and the Standby Purchaser that it has been unable to remarket the Adjustable Rate Bonds on the Conversion Date, the affected Adjustable Rate Bonds

will bear interest in the Rate Mode previously in effect or, with a favorable opinion of Bond Counsel, any other Rate Mode selected by the Authority.

Interest Rates and Reset Dates

General. The rate at which the Adjustable Rate Bonds will bear interest during any Rate Period will be the rate of interest that, if borne by the Adjustable Rate Bonds for such Rate Period, in the judgment of the Remarketing Agent, having due regard for the prevailing financial market conditions for bonds or other securities which are comparable as to federal income tax treatment, credit and maturity or tender dates with the federal income tax treatment, credit and maturity or tender dates of the Adjustable Rate Bonds, would be the lowest interest rate that would enable the Adjustable Rate Bonds to be sold at a price equal to the principal amount thereof, plus accrued interest thereon, if any. No Rate Period for Adjustable Rate Bonds will extend beyond the scheduled Expiration Date of the Standby Agreement then in effect.

Maximum Rate. The Adjustable Rate Bonds may not bear interest at a rate greater than the Maximum Rate applicable thereto.

Daily Rate. The Daily Rate for any Business Day is to be determined by the Remarketing Agent by 10:00 a.m., New York City time, on such Business Day. For any day which is not a Business Day, the Daily Rate will be the Daily Rate for the immediately preceding Business Day.

If (i) a Daily Rate for a Daily Rate Period has not been determined by the Remarketing Agent, (ii) no Remarketing Agent is serving under the Indenture, (iii) the Rate so established is held to be invalid or unenforceable with respect to a Daily Rate Period, or (iv) pursuant to the Remarketing Agreement the Remarketing Agent is not then required to establish a Daily Rate, then the Daily Rate for such Daily Rate Period shall continue in effect for two weeks, and thereafter such Bonds shall bear interest at the Maximum Rate until a Rate has been duly established by the Remarketing Agent.

Two-Day Rate. The Two-Day Rate is to be determined by the Remarketing Agent by 10:00 a.m., New York City time, on the first day of the Two-Day Rate period and on each Monday, Wednesday and Friday thereafter so long as interest on such Bonds is to be payable at a Two-Day Rate or, if any Monday, Wednesday or Friday is not a Business Day, on the next Monday, Wednesday or Friday that is a Business Day. The Two-Day Rate set on any Business Day will be effective as of such Business Day and will remain in effect until the next day on which a Two-Day Rate is required to be set in accordance with the preceding sentence.

If (i) a Two-Day Rate for a Rate Period has not been determined, (ii) no Remarketing Agent is serving under the Indenture, (iii) the Two-Day Rate so established is held to be invalid or unenforceable with respect to any Two-Day Rate Period or (iv) pursuant to the Remarketing Agreement the Remarketing Agent is not then required to establish a Two-Day Rate, then the Two-Day Rate for such Two-Day Rate Period shall continue in effect for two weeks, and thereafter such Bonds shall bear interest at the Maximum Rate until a Rate has been duly established by the Remarketing Agent.

Weekly Rate. Unless otherwise provided by the Authority pursuant to the Indenture, the Weekly Rate is to be determined by the Remarketing Agent by 10:00 a.m., New York City time, on the first day of the Weekly Rate Period. The Weekly Rate Period means a period commencing on the day specified by the Authority and extending to and including the sixth day thereafter, e.g., if commencing on a Thursday then extending to and including the next Wednesday.

If (i) a Weekly Rate has not been determined by the Remarketing Agent, (ii) no Remarketing Agent is serving under the Indenture, (iii) the Weekly Rate determined by the Remarketing Agent is held to be invalid or unenforceable with respect to a Weekly Rate Period, or (iv) pursuant to the Remarketing Agreement, the Remarketing Agent is not then required to establish a Weekly Rate, the Weekly Rate for such Weekly Rate Period

shall continue in effect for two weeks, and thereafter such Bonds shall bear interest at the Maximum Rate until a Rate has been duly established by the Remarketing Agent.

Optional Tender for Purchase

General. If a Subseries of Adjustable Rate Bonds is supported by a Credit Facility, or by a Liquidity Facility and no Liquidity Condition is in effect, the Adjustable Rate Bonds or any portion thereof equal to an Authorized Denomination may be tendered for purchase, at the Purchase Price, at the option of its registered owner on any Business Day during a Daily Rate Mode, a Two-Day Rate Mode or a Weekly Rate Mode upon giving notice of the registered owner's election to tender in the manner and at the times described below. Notice of an election to tender an Adjustable Rate Bond registered in the name of DTC is to be given by the DTC Participant on behalf of the Beneficial Owner and will not be given by DTC. Notice of the election to tender for purchase of an Adjustable Rate Bond registered in any other name is to be given by the registered owner of such Adjustable Rate Bond or its attorney-in-fact.

A DTC Participant or the registered owner of an Adjustable Rate Bond must give written notice of its irrevocable election to tender such Adjustable Rate Bond or a portion thereof for purchase at its option to the Tender Agent with a copy to the Remarketing Agent at their respective principal offices, in the case of Adjustable Rate Bonds bearing interest in a Daily Rate Mode, by no later than 10:30 a.m. on any Business Day which such Adjustable Rate Bond or portion thereof is to be purchased, in a Two-Day Rate Mode by no later than 3:00 p.m., New York City time, not less than two Business Days prior to the Business Day when such Adjustable Rate Bond or portion thereof is to be purchased and in the case of Adjustable Rate Bonds bearing interest in a Weekly Rate Mode by no later than 5:00 p.m., New York City time, on the seventh day prior to the Business Day when such Adjustable Rate Bond or portion thereof is to be purchased. In addition, the registered owner of an Adjustable Rate Bond is required to deliver such Bond to the Tender Agent at its principal corporate trust office at or prior to 1:00 p.m., New York City time, on such Optional Tender Date.

Mandatory Tender for Purchase

If a Subseries of Adjustable Rate Bonds is supported by a Credit Facility (or by a Liquidity Facility and no Liquidity Condition is in effect), the Adjustable Rate Bonds which are affected by the following actions are subject to mandatory tender and purchase at the Purchase Price on the following dates (each, a "Mandatory Tender Date"):

- (a) on each Conversion Date;
- (b) on a Business Day specified by the Tender Agent, at the direction of the Authority, which shall be not less than one Business Day prior to the substitution of a Standby Agreement or the Expiration Date of any Standby Agreement (which Standby Agreement will be drawn upon to pay the Purchase Price of unremarketed Tendered Bonds), unless a substitution is occurring and Rating Confirmation has been received from each Rating Agency; and
- (c) on a Business Day specified by the Tender Agent, as identified by the Authority, but in any event not less than one Business Day prior to the Termination Date of the Standby Agreement then in effect with respect to a Subseries of Bonds specified in a Default Notice delivered in accordance with the Standby Agreement then in effect.

Should a Credit Facility be in effect for such Subseries of Bonds, in addition to the preceding, upon any failure by the Authority to provide funds to the Trustee for the timely payment of principal or interest on the maturity or mandatory redemption date or Interest Payment Date for such Bonds, the Tender Agent shall cause a draw to be made upon such Credit Facility provider for the immediate purchase of the applicable Bonds and notice of mandatory tender to be given to each Holder of such Bonds.

A Subseries of Adjustable Rate Bonds is also subject to mandatory tender for purchase on any Optional Redemption Date, upon 10 days' notice to Holders of such Bonds, if the Authority has provided a source of payment

therefor in accordance with the Indenture and the Act; under which circumstances the Purchase Price is not payable by the applicable Liquidity Facility.

Whenever Adjustable Rate Bonds are to be tendered for purchase in accordance with (a) above, the Tender Agent is to give notice to the Holders of Adjustable Rate Bonds indicating that such Adjustable Rate Bonds are subject to mandatory tender for purchase on the date specified in such notice. The Tender Agent is to give notice by first-class mail and not less than three calendar days after receipt of the Conversion Notice. The failure of any Holder of any portion of Adjustable Rate Bonds to receive such notice will not affect the validity of such Conversion to a new Rate Mode.

Whenever Adjustable Rate Bonds are to be tendered for purchase in accordance with (b) or (c) above, the Tender Agent is to give notice to the Holders of Adjustable Rate Bonds indicating that such Bonds are subject to mandatory tender for purchase on the date specified in such notice. The Tender Agent is to give notice by first-class mail and not less than five calendar days before the Expiration Date or the Termination Date. The failure of any Holder of any portion of Adjustable Rate Bonds to receive such notice will not affect the validity of the proceedings to which such notice relates.

Bonds Deemed Purchased

The Adjustable Rate Bonds or portions thereof required to be purchased upon a tender at the option of the registered owner thereof or upon a mandatory tender will be deemed to have been tendered and purchased for all purposes of the Indenture, irrespective of whether such Adjustable Rate Bonds have been presented and surrendered to the Tender Agent, if on the Tender Date money sufficient to pay the Purchase Price thereof is held by the Tender Agent. The former registered owner of a Tendered Bond or an Adjustable Rate Bond deemed to have been tendered and purchased will have no claim thereunder or under the Indenture or otherwise for payment of any amount other than the Purchase Price.

Purchase Price and Payment

On each Tender Date, a Tendered Bond will be purchased at the applicable Purchase Price not later than 3:00 pm on such Tender Date. The Purchase Price of a Tendered Bond is the principal amount of the Adjustable Rate Bond tendered, plus accrued and unpaid interest from the immediately preceding Interest Payment Date.

The Purchase Price of a Tendered Bond will be paid, in same-day funds, to DTC in accordance with DTC's standard procedures for effecting same-day payments, as described herein under the heading "Book-Entry Only System." Payment for such Bonds will be made without presentation and surrender of the Tendered Bonds to the Tender Agent and DTC will be responsible for effecting payment of the Purchase Price to the DTC Participants.

The Purchase Price of Adjustable Rate Bonds is payable solely from, and in the following order of priority, the proceeds of the remarketing of Adjustable Rate Bonds tendered for purchase, money made available by the Standby Purchaser then in effect solely with respect to the Bonds to be purchased and money furnished by or on behalf of the Authority (which has no obligation to do so).

No Extinguishment

Bonds held by the Standby Purchaser or by a Fiduciary for the account of any Standby Purchaser following payment of the purchase price of such Bonds by the Fiduciary with money provided by any Standby Purchaser shall not be deemed to be retired, extinguished or paid and shall for all purposes remain outstanding.

Liquidity Conditions

Upon the occurrence of a Suspension Event, as specified in a Liquidity Facility, the Standby Purchaser's obligations to purchase the Adjustable Rate Bonds shall immediately be suspended (but not terminated) without notice or demand to any person and thereafter the Standby Purchaser shall be under no obligation to purchase such

Bonds (nor shall such Bonds be subject to optional or mandatory tender for purchase) unless and until the Standby Purchaser's commitment is reinstated pursuant to the Liquidity Facility. Promptly upon the occurrence of such suspension condition, the Standby Purchaser shall notify the Authority, the Tender Agent and the Remarketing Agent of such suspension in writing and the Tender Agent shall promptly relay such notice to the Bondholders upon receipt; but the Standby Purchaser shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the suspension of its obligation to purchase such Bonds. If the suspension condition shall be cured as described in the Liquidity Facility, the obligations of the Standby Purchaser under the Liquidity Facility shall be reinstated (unless the Standby Purchaser's obligations shall have expired or shall otherwise have been terminated or suspended as provided in the Liquidity Facility).

Upon the occurrence of an event of immediate termination, as specified in a Liquidity Facility, the Standby Purchaser's obligation under the Liquidity Facility to purchase the related Adjustable Rate Bonds shall immediately terminate without notice or demand to any person, and thereafter the Standby Purchaser shall be under no obligation to purchase such Bonds (nor shall such Bonds be subject to optional or mandatory tender for purchase). Promptly upon the occurrence of such event the affected Standby Purchaser shall give written notice of the same to the Authority, the Tender Agent and the Remarketing Agent and the Tender Agent shall promptly relay such notice to the Bondholders upon receipt; but the affected Standby Purchaser shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the termination of its obligation to purchase such Bonds.

Inadequate Funds for Tender

If the funds available for purchase of Adjustable Rate Bonds backed by a Standby Purchaser then in effect are inadequate for the purchase of all such Bonds tendered on any Tender Date, or a Liquidity Condition shall exist under a Liquidity Facility, then the Holders shall not have the right to require the Authority or other persons to repurchase the Adjustable Rate Bonds and the Tender Agent shall give written notice to all Bondholders of such Adjustable Rate Bonds. However, the Holders may submit their Adjustable Rate Bonds for remarketing pursuant to the procedures described herein and in the Indenture and Remarketing Agreement. Any such Adjustable Rate Bonds that cannot be remarketed shall immediately be returned to the owners thereof and shall bear interest from such Tender Date at the Maximum Rate. If a subseries of Bonds is supported by a Credit Facility, or by a Liquidity Facility and no Liquidity Condition is in effect, the obligation to deposit funds in sufficient amounts to purchase such Adjustable Rate Bonds pursuant to the Standby Agreement then in effect shall remain enforceable, and shall only be discharged at such time as funds are deposited with the Tender Agent in an amount sufficient, with the proceeds of remarketing, to purchase all such Bonds that were required to be purchased on such Tender Date, together with any interest which has accrued to the Tender Date.

Remarketing of Bonds Upon Tender

Pursuant to the Remarketing Agreement, the Remarketing Agent is required to use its best efforts to remarket a Tendered Bond on its Tender Date at a price equal to the Purchase Price. The Remarketing Agreement sets forth, among other things, certain conditions to the Remarketing Agent's obligation to remarket Tendered Bonds.

On each Tender Date, the Remarketing Agent is to give notice by Electronic Means to the Trustee, the Tender Agent and the Authority specifying the principal amount of Adjustable Rate Bonds which have been tendered for purchase and remarketed, along with the principal amount of Tendered Bonds, if any, for which it has not arranged a remarketing. The Tender Agent is, on such Tender Date, to obtain funds under the Standby Agreement then in effect in accordance with its terms in an amount equal to the difference between the Purchase Price of the Tendered Bonds subject to purchase and the remarketing proceeds available to the Tender Agent.

Defeasance

For the purpose of determining whether Adjustable Rate Bonds shall be deemed to have been defeased, the interest to come due on such Adjustable Rate Bonds shall be calculated at the Maximum Rate; and if, as a result of

such Adjustable Rate Bonds having borne interest at less than the Maximum Rate for any period, the total amount on deposit for the payment of interest on such Adjustable Rate Bonds exceeds the total amount required, the balance shall be paid to the Authority. In addition, Adjustable Rate Bonds shall be deemed defeased only if there shall have been deposited money in an amount sufficient for the timely payment of the maximum amount of principal of and interest on such Adjustable Rate Bonds that could become payable to the Bondholders upon the exercise of any applicable optional or mandatory tender for purchase.

Standby Agreements

For each Subseries of Adjustable Rate Bonds that is not defeased and is subject to optional or mandatory tender for purchase, the Authority shall, as required by law, keep in effect one or more Liquidity Facilities or Credit Facilities for the benefit of the holders of each Subseries of Adjustable Rate Bonds. Pursuant to such Liquidity Facilities or Credit Facilities, a financially responsible party or parties other than the Authority is required to purchase all or any portion of Adjustable Rate Bonds duly tendered by the holders thereof for repurchase that cannot be remarketed. A financially responsible party or parties, for the purposes of this paragraph, shall mean a person or persons determined by the Directors of the Authority to have sufficient net worth and liquidity to purchase and pay for on a timely basis all of the Adjustable Rate Bonds which may be tendered for repurchase by the holders thereof.

Each owner of an Adjustable Rate Bond bearing interest at a Daily, Two-Day or Weekly Rate will be entitled to the benefits and subject to the terms of the Standby Agreement for such Bond. Under such Standby Agreement, the Standby Purchaser agrees to make available to the Tender Agent, upon receipt of an appropriate demand for payment, the Purchase Price for Adjustable Rate Bonds of the stated Subseries. Mandatory purchase by a Standby Purchaser of the Adjustable Rate Bonds shall occur under the circumstances provided therefor in the Indenture, including, so long as a Credit Facility is provided or no Liquidity Condition exists under a Liquidity Facility, failure to extend or replace the Standby Agreement relating to such Subseries of Adjustable Rate Bonds and (at the option of the Standby Purchaser) other events, which may include, without limitation, breaches of covenants set forth in the Standby Agreement and/or the Reimbursement Agreement relating to a Credit Facility, defaults on other bonds of the Authority or other entities, and events of insolvency. Notwithstanding the other provisions of the Adjustable Rate Bonds and the Indenture, upon the purchase of an Adjustable Rate Bond by the Standby Purchaser, all interest accruing thereon from the last date for which interest has been paid shall accrue for the benefit of and be payable to the Standby Purchaser.

The obligation of the Standby Purchaser to purchase Adjustable Rate Bonds pursuant and subject to the terms and conditions of the Standby Agreement for such Bonds is effective so long as a Credit Facility is provided or there exists no Liquidity Condition. The obligation of the Authority to repay amounts advanced by the Standby Purchaser in respect of such Standby Purchaser's purchase of Adjustable Rate Bonds shall be evidenced by the Bonds so purchased by such Standby Purchaser.

To the extent described in the Adjustable Rate Bonds and the Standby Agreement, the Authority shall have the right to terminate the Standby Agreement, upon due notice to the Standby Purchaser, and may seek a substitute provider or providers to assume the rights and obligations of the Standby Purchaser. If the Standby Agreement is to be extended or replaced, the Authority shall give Written Notice to each affected Bondholder at least 10 days prior to the extension or replacement.

The preceding is a summary of certain provisions expected to be included in the Standby Agreement and proceedings with respect to the Adjustable Rate Bonds, and is subject in all respects to the underlying documents, copies of which will be available for inspection during business hours at the office of the Trustee. Information regarding each Standby Purchaser is included herein as "APPENDIX C—JPMORGAN CHASE BANK, NATIONAL ASSOCIATION." and as "APPENDIX D—SUMITOMO MITSUI BANKING CORPORATION." None of the Authority or the Underwriters makes any representation with respect to the information in "APPENDIX C—JPMORGAN CHASE BANK, NATIONAL ASSOCIATION." or in "APPENDIX D—SUMITOMO MITSUI BANKING CORPORATION."

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

JPMorgan Chase Bank, National Association (the “Bank”) is a wholly owned subsidiary of JPMorgan Chase & Co., a Delaware corporation whose principal office is located in New York, New York. The Bank offers a wide range of banking services to its customers, both domestically and internationally. It is chartered and its business is subject to examination and regulation by the Office of the Comptroller of the Currency.

As of September 30, 2012, JPMorgan Chase Bank, National Association, had total assets of \$1,850.2 billion, total net loans of \$592.0 billion, total deposits of \$1,186.7 billion, and total stockholder’s equity of \$142.6 billion. These figures are extracted from the Bank’s unaudited Consolidated Reports of Condition and Income (the “Call Report”) as of September 30, 2012, prepared in accordance with regulatory instructions that do not in all cases follow U.S. generally accepted accounting principles. The Call Report including any update to the above quarterly figures is filed with the Federal Deposit Insurance Corporation and can be found at www.fdic.gov.

Additional information, including the most recent annual report on Form 10-K for the year ended December 31, 2011, of JPMorgan Chase & Co., the 2011 Annual Report of JPMorgan Chase & Co., and additional annual, quarterly and current reports filed with or furnished to the Securities and Exchange Commission (the “SEC”) by JPMorgan Chase & Co., as they become available, may be obtained without charge by each person to whom this Offering Circular is delivered upon the written request of any such person to the Office of the Secretary, JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017 or at the SEC’s website at www.sec.gov.

The information contained in this Appendix relates to and has been obtained from the Bank. The delivery of the Offering Circular shall not create any implication that there has been no change in the affairs of the Bank since the date hereof, or that the information contained or referred to in this Appendix is correct as of any time subsequent to its date.

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SUMITOMO MITSUI BANKING CORPORATION

Sumitomo Mitsui Banking Corporation (*Kabushiki Kaisha Mitsui Sumitomo Ginko*) (“SMBC”) is a joint stock corporation with limited liability (*Kabushiki Kaisha*) under the laws of Japan. The registered head office of SMBC is located at 1-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan.

SMBC was established in April 2001 through the merger of two leading banks, The Sakura Bank, Limited and The Sumitomo Bank, Limited. In December 2002, Sumitomo Mitsui Financial Group, Inc. (“SMFG”) was established through a stock transfer as a holding company under which SMBC became a wholly owned subsidiary. SMFG reported ¥ 143,040,672 million in consolidated total assets as of March 31, 2012.

SMBC is one of the world’s leading commercial banks and provides an extensive range of banking services to its customers in Japan and overseas. In Japan, SMBC accepts deposits, makes loans and extends guarantees to corporations, individuals, governments and governmental entities. It also offers financing solutions such as syndicated lending, structured finance and project finance. SMBC also underwrites and deals in bonds issued by or under the guarantee of the Japanese government and local government authorities, and acts in various administrative and advisory capacities for certain types of corporate bonds. Internationally, SMBC operates through a network of branches, representative offices, subsidiaries and affiliates to provide many financing products including syndicated lending and project finance.

The New York Branch of SMBC is licensed by the State of New York Banking Department to conduct branch banking business at 277 Park Avenue, New York, New York, and is subject to examination by the State of New York Banking Department and the Federal Reserve Bank of New York.

Audited consolidated financial statements for SMFG and its consolidated subsidiaries for the fiscal years ended March 31, 2012 and 2011, as well as certain unaudited financial information for SMFG and SMBC for the fiscal period ended September 30, 2012, as well as other corporate data, financial information and analyses are available in English on the website of SMFG at www.smfg.co.jp/english.

The information herein has been obtained from SMBC, which is solely responsible for its content. The delivery of this Offering Circular shall not create any implication that there has been no change in the affairs of SMBC since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to its date.

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PROPOSED FORM OF BOND COUNSEL OPINION

December 4, 2012

New York City Transitional Finance Authority

We have acted as bond counsel to the New York City Transitional Finance Authority (the “Authority”), a public benefit corporation organized under the laws of the State of New York (the “State”), in the Authority’s issuance of its Future Tax Secured Subordinate Bonds, Fiscal 2013 Subseries C-4 and C-5 (collectively, the “New Bonds”). The New Bonds are being issued pursuant to Chapter 16, Laws of New York, 1997, as amended (the “Act”), to the Amended and Restated Original Indenture, as restated December 1, 2010, and as supplemented (the “Indenture”), between the Authority and The Bank of New York Mellon, as Trustee, and to a Financing Agreement dated October 1, 1997, as amended (the “Agreement”), between the Authority and The City of New York (the “City”). Terms not defined herein are used as defined in the Indenture. We assume the parties will perform their respective covenants in the Indenture and the Agreement in all material respects.

The New Bonds are dated, bear interest, mature, and are subject to redemption and are secured as set forth in the Indenture. The New Bonds are Subordinate Bonds and Parity Debt payable from the Tax Revenues on a parity with the Authority’s Recovery Obligations and other Parity Debt. The Authority is authorized to issue additional bonds (together with such bonds heretofore issued and the New Bonds, the “Bonds”) on the terms and conditions set forth in the Indenture and all such Bonds shall be entitled to the benefit, protection and security of the Indenture in the order of priority set forth therein.

In rendering the opinions set forth herein, we reviewed certificates of the Authority and the City and such other agreements, documents and matters to the extent we deemed necessary to render our opinions. We have not undertaken an independent audit or investigation of the matters described or contained in the foregoing certificates, agreements and documents. We have assumed, without undertaking to verify, the genuineness of all documents and signatures presented to us; the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority and the City; and the accuracy of the factual matters represented, warranted or certified therein.

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

1. The Authority is a public benefit corporation duly organized and existing under the laws of the State, and is authorized under the laws of the State, particularly the Act, to enter into the Indenture and the Agreement and to issue the New Bonds. Under the laws of the State, including the Constitution of the State, and under the Constitution of the United States, the Act is valid in all respects material to the security and sources of payment for the New Bonds.
2. The New Bonds have been duly authorized, executed, and delivered by the Authority and are valid and binding obligations of the Authority payable from the Tax Revenues pledged and the other collateral provided therefor in the Indenture. The Bonds do not constitute a debt of the State or the City, and neither the State nor the City shall be liable thereon, nor shall the Bonds be payable out of any funds other than those of the Authority.
3. The Act validly provides for (a) the payment to the Authority (i) of the taxes so payable pursuant to § 1313 of the Tax Law (the “Personal Income Taxes”), and (ii) to the extent specified in the Act, of sales and compensating use taxes that the City is authorized by the State to impose and taxes imposed by the State pursuant to § 1107 of the Tax Law (the “Alternate Revenues,” and to the extent so payable, with the Personal Income Taxes and such other revenues, if any, as the Authority may derive directly from the State from taxes imposed by the City or the State and collected by the State, the “Tax Revenues”), (b) the Authority’s pledge to the Trustee of the Tax Revenues and all aid, rents, fees, charges, payments and other income and receipts paid or payable to the Authority or the Trustee (the “Revenues”), and (c) the application of proceeds of the Bonds to purposes of the City.

4. The Personal Income Taxes are subject neither to appropriation by the City or the State, nor to prior claims in favor of other obligations or purposes of the City or the State except as specified in §1313 of the Tax Law with respect to overpayments and the State's reasonable costs in administering, collecting and distributing such taxes. Alternative Revenues consisting of sales and compensating use taxes imposed by the City, if payable to the Authority pursuant to the Act, are not subject to appropriation by the City or the State. Upon any failure of the State Legislature to make required appropriations for State debt obligations, the Tax Revenues would not constitute revenues applicable to the General Fund of the State; hence Article 7, Section 16 of the State Constitution does not mandate such money to be set apart by the State Comptroller for the payment of State obligations.

5. The Indenture (a) has been duly and lawfully authorized, executed and delivered by the Authority, (b) creates the valid pledge of Tax Revenues and other collateral that it purports to create and (c) is a valid and binding agreement, enforceable in accordance with its terms, of the Authority, and to the extent specified in the Act, the State. The Act does not restrict the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the taxes payable to the Authority pursuant to § 1313 of the Tax Law, nor does it obligate the State to make any payments not specified in the Act or impose any taxes to satisfy the obligations of the Authority.

6. The lien of the Indenture on the Tax Revenues for the security of the Senior Bonds and other instruments to the extent specified in the Indenture is, and pursuant to the covenant of the Authority in the Indenture will be, prior to all other liens thereon. The pledge of Tax Revenues and other collateral made by the Authority in the Indenture is valid, binding and perfected without any physical delivery of the collateral or further act, and the lien thereof is valid, binding and perfected against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of such parties' notice thereof.

7. The Agreement has been duly and lawfully authorized, executed and delivered by the Authority and the City pursuant to the Act, and is a valid and binding agreement of each of them.

8. The Authority is not eligible for protection from its creditors pursuant to Title 11 (the "Bankruptcy Code") of the United States Code. If the debts of the City were adjusted under the Bankruptcy Code, and the City or its creditors asserted a right to the Tax Revenues superior or equal to the rights of the holders of the Bonds, such assertion would not succeed.

9. No registration with, consent of, or approval by any governmental agency or commission that has not been obtained is necessary for the execution and delivery of the New Bonds. The adoption and compliance with all of the terms and conditions of the Indenture and the New Bonds, and the execution and delivery of the New Bonds, will not result in a violation of or be in conflict with any existing law.

10. Interest on the New Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City.

11. Assuming compliance by the Authority and the City with applicable provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code"), interest on the New Bonds will not be included in the gross income of the owners thereof for purposes of federal income taxation. The Authority and the City have covenanted to comply with such provisions of the Tax Code. Failure by the Authority or the City to comply with such provisions may cause interest on the New Bonds to be includable in the gross income of the owners thereof retroactive to the date of the issue of the New Bonds. Further, we render no opinion as to the effect on the exclusion from gross income of interest on the New Bonds of any action taken or not taken after the date of this opinion without our approval.

12. Interest on the New Bonds is not an item of tax preference for purposes of the federal individual or corporate alternative minimum tax; however, interest on the New Bonds owned by a corporation will be included in the calculation of the corporation's alternative minimum tax liability under the Tax Code.

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable and except as specifically stated above, and may also be subject to the exercise of the State's police powers and of judicial discretion in appropriate cases.

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

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\$248,000,000

**New York City
Transitional Finance Authority
Future Tax Secured Subordinate Bonds
Fiscal 2013 Series C**

**\$100,000,000 Subseries C-4
Tax-Exempt Subordinate Bonds
(Adjustable Rate Bonds)**

**\$148,000,000 Subseries C-5
Tax-Exempt Subordinate Bonds
(Adjustable Rate Bonds)**

OFFERING CIRCULAR

November 26, 2012
