

SIXTY-SEVENTH SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF
UP TO \$1,250,000,000 FUTURE TAX SECURED BONDS
of the
NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Dated April 10, 2012

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BE IT RESOLVED by the Directors of the New York City Transitional Finance Authority, as follows:

ARTICLE I

DEFINITIONS AND AUTHORITY

Section 1.01. Definitions. Terms used herein and not otherwise defined shall have the respective meanings given or referred to in the Amended and Restated Original Indenture dated December 1, 2010 (as supplemented, the “Indenture”).

The following terms shall have the following meanings in this Sixty-Seventh Series Resolution (“67th Supplement” or “this Supplement”) unless the context otherwise requires:

“New Bond Instruments” includes each preliminary offering circular, final offering circular, underwriting agreement and notice of sale relating to the New Bonds.

“New Bonds” means the Authority’s Future Tax Secured Bonds authorized hereby.

Section 1.02. Authority for this Series Resolution. This Supplement is adopted and supplements the Indenture pursuant to the Act and the Original Indenture, particularly Section 1101(a)(1)(E) thereof.

ARTICLE II

THE NEW BONDS

Section 2.01. Bond Terms. Pursuant to the Indenture and the Act, one or more Series of Bonds are hereby authorized to be issued in the aggregate principal amount, with maturities and maturity dates, bearing interest at the rates, subject to such optional and mandatory redemption provisions and containing such other terms and conditions, including priority, amortization, sinking funds, federal subsidy, federal tax status, application of proceeds for payment of Project Capital Costs or for refunding of Outstanding Bonds and the use of bond insurance or other credit enhancement, as the Chairperson shall determine, provided that: (i) the aggregate principal amount of the New Bonds shall not exceed \$1,250,000,000, (ii) the true interest cost of the Tax-Exempt Bonds to the Authority (currently estimated at ___%) shall not exceed ___%, and (iii) the true interest cost (before subsidy) of QSCBs to the Authority (currently estimated at ___%) shall not exceed ___%.

The New Bonds may be Sinking Fund Bonds, redeemable at or prior to maturity from one or more of the Sinking Fund Subaccounts established by Section 509(f) of the Original Indenture, in which case the Sinking Fund Requirements shall be determined by the Chairperson in accordance with the Act and the Indenture.

The New Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title “Future Tax Secured Bonds, Fiscal 2012 Series E” or such other title as the Chairperson may determine. The determinations of the Chairperson shall be set forth in the

completed Exhibits hereto and conclusively evidenced by Officer's Certificate and by execution and delivery of each Series of New Bonds.

Section 2.02. Application of Proceeds. Upon receipt of the proceeds of the New Bonds, the Authority and the City shall apply such proceeds and earnings thereon in accordance with the Act, the Indenture, the Agreement and the federal tax status of each Subseries or other portion of the New Bonds.

Section 2.03. Statutory Determinations and Recommendations. The Mayor has determined that a Capital Financing Need exists, pursuant to the Act the Mayor has requested that the Authority provide financing therefore, and the Authority hereby approves that such need exists. The Authority has determined that issuance of the New Bonds is appropriate and the Mayor and Comptroller have recommended (a) the arrangements herein authorized for the issuance and sale of the New Bonds and (b) the prices, interest rates, maturities and other terms and conditions herein provided for the issuance of the New Bonds.

Section 2.04. No Provision for Capitalized or Accrued Interest. Pursuant to Section 502(a) of the Original Indenture, no provision for capitalized or accrued interest on the New Bonds shall be made in the Accounts.

Section 2.05. New Bond Instruments. The Preliminary Offering Circular, dated April 2, 2012, is hereby approved. Without limiting authority elsewhere conferred, the Chairperson, the Executive Director, the Treasurer and the other officers and each of them are hereby designated Authorized Officers to award the New Bonds and approve, execute and deliver such New Bond Instruments and other documents, agreements, instruments and certifications as may be necessary to give effect to the Indenture, including this Supplement, such approval to be conclusively evidenced by the distribution or execution and delivery thereof. All preparatory actions previously taken by such Authorized Officers are hereby ratified.

Section 2.06. Financial Reporting Covenants. The City (by the Mayor's approval of the issuance of the New Bonds) and the Authority covenant with the Holders of the Outstanding New Bonds to comply with the financial reporting requirements of the Financial Emergency Act for The City of New York and the Act, respectively, each as in effect from time to time.

ARTICLE III

MISCELLANEOUS

Section 3.01. Limitation of Prior Authority. No further Bonds shall be issued under the 66th Supplement dated December 2, 2011.

Section 3.02. Effective Date and Transmittal; Counterparts. With respect to each Series of New Bonds, this Supplement shall be fully effective in accordance with its terms upon the filing with the Trustee of a copy hereof certified by an Authorized Officer of the Authority and executed by the Mayor and the Comptroller of the City. The Chairperson and the Executive Director and other officers of the Authority, each acting alone, are hereby authorized on behalf of the Authority to transmit this Supplement to the Mayor and the Comptroller of the City for their approval, with such changes herein as the Chairperson may approve, subject to Section 2.01

hereof, such approval to be conclusively evidenced by the Mayor's and Comptroller's execution hereof in accordance with this Supplement and the Authority's execution and delivery of the New Bonds. This Supplement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; and such counterparts shall together constitute but one and the same instrument.

Issuance of the New Bonds of Fiscal 2012 Series E is approved:

Deputy Director of Management and Budget

Deputy Comptroller for Public Finance

Approved as to Form:

Acting Corporation Counsel

Certified as in full force and effect on April __, 2012.

Authorized Officer

\$ _____
Future Tax Secured Bonds Fiscal 2012 Series E

\$ _____
Subseries E-1 Tax-Exempt [Subordinate] Bonds

<u>Due</u> <u>February 1,</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
	\$	%

\$ _____ % Term Bonds due February 1, _____

\$ _____
Subseries E-2 Taxable [Subordinate] Bonds
(Qualified School Construction Bonds)

\$ _____ % Bonds due February 1, _____

The Fiscal 2012 Series E Bonds shall be issued as [Parity Debt] pursuant to Section 307 of the Original Indenture.

The Authority hereby (a) designates the Subseries E-2 Bonds as “qualified school construction bonds” for purposes of Section 54F of the Tax Code and (b) irrevocably elects to have Section 6431(f) apply to the Subseries E-2 Bonds pursuant to which such Bonds are treated as “specified tax credit bonds,” as defined in Section 6431(f)(3) of the Tax Code, and the Authority will be eligible to receive the refundable tax credit payable under Section 6431 of the Tax Code.

The true interest cost to the Authority of the Tax-Exempt Bonds of Series E is ____%, which does not exceed the ____% maximum permitted by this Supplement.

The true interest cost of the QSCBs of Series E is ____%, which does not exceed the ____% maximum permitted by this Supplement.

The remaining issuance authority under this Supplement is \$_____.

**REGISTERED
NUMBER**

**REGISTERED
\$**

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

FUTURE TAX SECURED [SUBORDINATE] BOND

FISCAL 2012 SERIES E

SUBSERIES E-1 (TAX-EXEMPT BONDS)

[] PER CENTUM (%) PER ANNUM

DUE: _____ 1, 20__ DATED: April __, 2012

CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

DOLLARS (\$_____)

THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY (the “Authority”), a public benefit corporation of the State of New York (the “State”), for value received promises to pay to the registered owner of this bond, on the maturity date set forth above, the principal amount set forth above and to pay interest on such principal amount at the rate of interest set forth above from April __, 2012, or from the most recent payment date to which interest has been paid, but if the date of authentication of this bond is after the fifteenth day of the calendar month immediately preceding an interest payment date, interest will be paid from such interest payment date. Interest at such rate will be paid on February 1 and August 1 of each year, beginning August 1, 2012, and upon redemption at or prior to maturity, as set forth herein, by wire transfer, at the discretion of the Authority, or by check mailed to the address of the registered owner hereof as shown on the registration books of the Authority as maintained by The Bank of New York Mellon, as trustee (the “Trustee”), as of the close of business on the fifteenth day of the calendar month immediately preceding the applicable interest payment date. Interest shall be calculated on the basis of a year of 360 days and twelve 30-day months.

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

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

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

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

This bond constitutes [Parity Debt secured on a parity with the Authority's Recovery Bonds], and is one of a Series of Bonds representing a borrowing of \$_____, under chapter 16, laws of New York, 1997, as amended, and pursuant to an Indenture dated as of October 1, 1997, between the Authority and the Trustee (as amended and supplemented, the "Indenture"). Reference is made to the Indenture for a description of the funds pledged and for the provisions with respect to the incurring of indebtedness on a parity with the Senior Bonds or Recovery Bonds and to the rights, limitations of rights, duties, obligations and immunities of the Authority, the City, the State, the Trustee and the Bondholders, including restrictions on the rights of the Bondholders to bring suit. Definitions given or referred to in the Indenture are incorporated herein by this reference. The Indenture may be amended to the extent and in the manner provided therein.

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

In the Act, the State has made a pledge and agreement with the Holders of the Outstanding Bonds that the State will not limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with such Holders pursuant to the Act, or in any way impair the rights and remedies of such Holders or the security for such Bonds until such Bonds, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged. The Act does not restrict the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the Personal Income Taxes, but such taxes payable to the Authority shall in all events continue to be so payable so long as any such taxes are imposed. Not less than 30 days prior to the beginning of each City fiscal year, the Chairperson of the Authority shall certify to the State Comptroller, the Governor, and the Directors of the Authority a schedule of maximum annual debt service on the Bonds and Notes. To the extent that the Personal Income Taxes during such fiscal year are projected by the Mayor to be insufficient to meet at least 150% of maximum annual debt service on the Bonds,

the Mayor shall so notify the State Comptroller and the State Comptroller shall pay to the Authority from Sales Taxes such amount as is necessary to provide at least 150% of such maximum annual debt service. The Act does not obligate the State to make any additional payments or impose any taxes to satisfy the debt service obligations of the Authority.

Pursuant to the Act, the City has made a pledge and agreement with the Holders of the Outstanding Bonds that the City will not limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with such Holders pursuant to the Act, or in any way impair the rights and remedies of such Holders or the security for such Bonds until such Bonds, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged. The Act does not restrict any right the City may have to amend, modify or otherwise alter local laws imposing or relating to the Personal Income Taxes so long as, after giving effect to such amendment, modification or other alteration, the amount of Tax Revenues projected by the Mayor to be available to the Authority during each of its fiscal years following the effective date of such amendment, modification or other alteration shall be not less than 150% of maximum annual debt service on the Bonds.

The City and the Authority have covenanted with the Holders of the Outstanding Bonds of this Series to comply with the financial reporting requirements of the Financial Emergency Act for The City of New York and the Act, respectively, each as in effect from time to time.

The State has covenanted with the purchasers and with all subsequent Holders and transferees of the Bonds, in consideration of the acceptance of payment for the Bonds, that the Bonds and the income therefrom and all revenues, monies, and other property pledged to pay or to secure the payment of such Bonds shall at all times be free from taxation.

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

The Bonds of this Subseries maturing on February 1, 20__, are term bonds subject to mandatory redemption at a redemption price equal to ___% of the principal amount thereof, plus accrued interest, without premium, on the dates and in the amounts set forth below:

<u>February 1,</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
	\$

*

*Stated maturity.

The Authority may apply or credit against any annual amount subject to mandatory redemption, the principal amount of any Bonds of the same Subseries and maturity that have been purchased or redeemed and not previously so applied or credited.

Except for the Bonds of this Subseries maturing in _____ and bearing interest at the rate of ____%, the Bonds of this Subseries are subject to optional redemption prior to maturity on 30 days' notice, at the option of the Authority, in whole or in part, on any date on or after February 1, ____ at a price of 100% of their principal amount plus accrued interest to the redemption date. The Bonds of this Subseries maturing in _____ and bearing interest at the rate of ___% percent are subject to optional redemption prior to maturity on 30 days' notice, at the option of the Authority, in whole or in part, on any date on or after February 1, ____ at a price of 100% of their principal amount plus accrued interest to the redemption date.

The particular maturities of Bonds to be redeemed at the option of the Authority will be determined by the Authority in its sole discretion, within which Bonds shall be selected by lot or another method reasonably acceptable to the Trustee.

The Bonds of this Subseries shall be redeemable upon the giving of notice, identifying such Bonds or portions thereof to be redeemed, by mailing or transmitting such notice to the registered owners thereof at their respective addresses shown on the registration books maintained by the Trustee at least 30 days and no more than 60 days prior to the date set for redemption. If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof to be redeemed shall become due and payable at the redemption price on the redemption date designated in the notice of redemption, and interest thereon shall cease to accrue from and after the designated redemption date. Failure to mail or transmit any such notice to any registered owner or any defect in any notice so mailed or transmitted shall not affect the validity of the proceedings for redemption of the Bonds of other registered owners. If this bond is redeemed in part, upon surrender hereof, the Authority shall cause to be delivered to the registered owner a bond in like form in the principal amount equal to that part of this bond not being redeemed.

The Bonds of this Subseries are entitled to the benefit of covenants in the Indenture relating to Federal income taxation.

The Bonds of this Series are entitled to the benefit of covenants in the Indenture relating to the maintenance of a sinking fund, are issuable only in fully registered form in the denomination (maturity value) of \$5,000 or any integral multiple thereof or as specified in the Indenture, and may not be converted into bearer bonds.

The Authority, the Trustee and each Paying Agent may treat the registered owner as the absolute owner of this bond for all purposes, notwithstanding any notice to the contrary.

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

This bond is transferable by the registered owner hereof in accordance with the Indenture and the Act.

IN WITNESS WHEREOF, NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY has caused this bond to be executed in its name by its Executive Director and Treasurer and attested by its [Assistant] Secretary by their facsimile signatures and its seal or a facsimile thereof to be impressed or imprinted hereon, all as of the ____ day of April, 2012.

NEW YORK CITY TRANSITIONAL
FINANCE AUTHORITY

BY _____

ATTEST:

EXECUTIVE DIRECTOR

BY _____

[ASSISTANT] SECRETARY

TREASURER

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in and issued in accordance with the Indenture, including the 67th Supplement.

THE BANK OF NEW YORK MELLON,
as Trustee

Authorized Officer

Date of Authentication: April __, 2012

**REGISTERED
NUMBER**

**REGISTERED
\$ _____**

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

FUTURE TAX SECURED [SUBORDINATE] BOND

FISCAL 2012 SERIES E

SUBSERIES E-2 (FEDERALLY TAXABLE QSCBs)

[] PER CENTUM (%) PER ANNUM

DUE: February 1, ____

DATED: April __, 2012

CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

DOLLARS (\$ _____)

THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY (the “Authority”), a public benefit corporation of the State of New York (the “State”), for value received promises to pay to the registered owner of this bond, on the maturity date set forth above, the principal amount set forth above and to pay interest on such principal amount at the rate of interest set forth above from April __, 2012, or from the most recent payment date to which interest has been paid, but if the date of authentication of this bond is after the fifteenth day of the calendar month immediately preceding an interest payment date, interest will be paid from such interest payment date. Interest at such rate will be paid on February 1 and August 1 of each year, beginning August 1, 2012, and upon redemption at or prior to maturity, as set forth herein, by wire transfer, at the discretion of the Authority, or by check mailed to the address of the registered owner hereof as shown on the registration books of the Authority as maintained by The Bank of New York Mellon, as trustee (the “Trustee”), as of the close of business on the fifteenth day of the calendar month immediately preceding the applicable interest payment date. Interest shall be calculated on the basis of a year of 360 days and twelve 30-day months.

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

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

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

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

This bond constitutes [Parity Debt secured on a parity with the Authority's Recovery Bonds], and is one of a Series of Bonds representing a borrowing of \$_____ under chapter 16, laws of New York, 1997, as amended, and pursuant to an Indenture dated as of October 1, 1997, between the Authority and the Trustee (as amended and supplemented, the "Indenture"). Reference is made to the Indenture for a description of the funds pledged and for the provisions with respect to the incurring of indebtedness on a parity with the Senior Bonds or Recovery Bonds and to the rights, limitations of rights, duties, obligations and immunities of the Authority, the City, the State, the Trustee and the Bondholders, including restrictions on the rights of the Bondholders to bring suit. Definitions given or referred to in the Indenture are incorporated herein by this reference. The Indenture may be amended to the extent and in the manner provided therein.

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

In the Act, the State has made a pledge and agreement with the Holders of the Outstanding Bonds that the State will not limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with such Holders pursuant to the Act, or in any way impair the rights and remedies of such Holders or the security for such Bonds until such Bonds, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged. The Act does not restrict the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the Personal Income Taxes, but such taxes payable to the Authority shall in all events continue to be so payable so long as any such taxes are imposed. Not less than 30 days prior to the beginning of each City fiscal year, the Chairperson of the Authority shall certify to the State Comptroller, the Governor, and the Directors of the Authority a schedule of maximum annual debt service on the Bonds and Notes. To the extent that the Personal Income Taxes during such fiscal year are projected by the Mayor to be insufficient to meet at least 150% of maximum annual debt service on the Bonds,

the Mayor shall so notify the State Comptroller and the State Comptroller shall pay to the Authority from Sales Taxes such amount as is necessary to provide at least 150% of such maximum annual debt service. The Act does not obligate the State to make any additional payments or impose any taxes to satisfy the debt service obligations of the Authority.

Pursuant to the Act, the City has made a pledge and agreement with the Holders of the Outstanding Bonds that the City will not limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with such Holders pursuant to the Act, or in any way impair the rights and remedies of such Holders or the security for such Bonds until such Bonds, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged. The Act does not restrict any right the City may have to amend, modify or otherwise alter local laws imposing or relating to the Personal Income Taxes so long as, after giving effect to such amendment, modification or other alteration, the amount of Tax Revenues projected by the Mayor to be available to the Authority during each of its fiscal years following the effective date of such amendment, modification or other alteration shall be not less than 150% of maximum annual debt service on the Bonds.

The City and the Authority have covenanted with the Holders of the Outstanding Bonds of this Series to comply with the financial reporting requirements of the Financial Emergency Act for The City of New York and the Act, respectively, each as in effect from time to time.

The State has covenanted with the purchasers and with all subsequent Holders and transferees of the Bonds, in consideration of the acceptance of payment for the Bonds, that the Bonds and the income therefrom and all revenues, monies, and other property pledged to pay or to secure the payment of such Bonds shall at all times be free from taxation.

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

In accordance with the Indenture, the Authority will deposit from Tax Revenues and earnings thereon the following amounts into the Sinking Fund in the Recovery and Parity Debt Account, which amounts are to be applied to the payment of the principal amount of the Bonds of this Subseries at maturity, as follows:

	Sinking Fund
February 1, _____	Requirements
	\$ _____

The Authority may credit against any Sinking Fund Requirement the principal amount of any Bonds of this Subseries or other Eligible Bonds that have been retired through purchase or optional redemption and not previously so credited. Eligible Bonds are Senior Bonds or Parity Debt that either (i) mature on or before February 1, _____, or (ii) are Term Bonds or Sinking Fund Bonds with mandatory redemption requirements or sinking fund requirements on or before February 1, _____, against which the retired Bonds are applied pursuant to their terms. The above

Sinking Fund Requirement for the last February 1 not later than such maturity date or the date of such requirement shall be increased by the principal amount of each Eligible Bond so credited that is not a Bond of this Subseries.

Extraordinary Mandatory Redemption of the QSCBs

The Tax Code requires all of the proceeds of the Bonds of this Subseries (the “QSCBs”) and investment earnings thereon to be expended within three years of the date of issue of the QSCBs or within 90 days of any duly approved extension for School Projects (the “Expenditure Period”). In the event such expenditure requirements are not satisfied, the QSCBs are subject to extraordinary mandatory redemption, in whole or in part, on a date designated by the Authority within 90 days after the end of the Expenditure Period, at a redemption price equal to the principal amount of the QSCBs to be redeemed together with accrued interest, if any, to the redemption date in an amount computed by reference to the unexpended proceeds of the QSCBs or such amount as may be required to preserve the status of the QSCBs as “qualified school construction bonds”.

Optional Redemption

Make-Whole Optional Redemption

The QSCBs are subject to redemption prior to their stated maturity at the option of the Authority, in whole or in part on any date, at a redemption price (the “Make-Whole Redemption Price”) equal to the greater of:

- (1) the principal amount of such Bonds to be redeemed; or
- (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Bonds are to be redeemed, discounted to the date on which such Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus __ basis points;

plus, in each case, accrued interest to the redemption date.

“Treasury Rate” means, with respect to any redemption date for a particular Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but not more than 45 calendar days, prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Bond to be redeemed, but if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Extraordinary Optional Redemption

The QSCBs are subject to redemption prior to their stated maturity dates at the option of the Authority, in whole or in part, upon the occurrence of an Extraordinary Event, at a redemption price (the “Extraordinary Optional Redemption Price”) equal to the greater of: (1) the principal amount of the Bonds to be redeemed; or (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which Bonds are to be redeemed, discounted to the date on which such Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus ___ basis points; plus accrued interest on the redemption date.

An “Extraordinary Event” will have occurred if section 54A, 54F or 6431 of the Tax Code is modified, amended or interpreted in a manner pursuant to which the Authority’s cash subsidy payment from the United States Treasury with respect to Qualified School Construction Bonds is reduced or eliminated.

The Bonds to be redeemed at the option of the Authority shall be selected by lot or another method reasonably acceptable to the Trustee.

The Bonds of this Subseries shall be redeemable upon the giving of notice, identifying such Bonds or portions thereof to be redeemed, by mailing or transmitting such notice to the registered owners thereof at their respective addresses shown on the registration books maintained by the Trustee at least 30 days and no more than 60 days prior to the date set for redemption. If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof to be redeemed shall become due and payable at the redemption price on the redemption date designated in the notice of redemption, and interest thereon shall cease to accrue from and after the designated redemption date. Failure to mail or transmit any such notice to any registered owner or any defect in any notice so mailed or transmitted shall not affect the validity of the proceedings for redemption of the Bonds of other registered owners. If this bond is redeemed in part, upon surrender hereof, the Authority shall cause to be delivered to the registered owner a bond in like form in the principal amount equal to that part of this bond not being redeemed.

The Bonds of this Series are entitled to the benefit of covenants in the Indenture relating to the maintenance of a sinking fund, are issuable only in fully registered form in the denomination (maturity value) of \$5,000 or any integral multiple thereof or as specified in the Indenture, and may not be converted into bearer bonds.

The Authority, the Trustee and each Paying Agent may treat the registered owner as the absolute owner of this bond for all purposes, notwithstanding any notice to the contrary.

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

This bond is transferable by the registered owner hereof in accordance with the Indenture and the Act.

IN WITNESS WHEREOF, NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY has caused this bond to be executed in its name by its Executive Director and Treasurer and attested by its [Assistant] Secretary by their facsimile signatures and its seal or a facsimile thereof to be impressed or imprinted hereon, all as of the ____ day of April, 2012.

NEW YORK CITY TRANSITIONAL
FINANCE AUTHORITY

BY _____

ATTEST:

EXECUTIVE DIRECTOR

BY _____

[ASSISTANT] SECRETARY

TREASURER

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in and issued in accordance with the Indenture, including the 67th Supplement.

THE BANK OF NEW YORK MELLON,
as Trustee

Authorized Officer

Date of Authentication: April __, 2012

SINKING FUND REQUIREMENTS

FOR SUBSERIES E-2

<u>February 1,</u>	<u>Amount*</u>
	\$

* The amounts shown are the annual deposits required to pay principal of the Subseries E-2 Bonds at their maturity in ____ and are subject to adjustment in accordance with the Bonds and the Indenture. The total Sinking Fund Requirement in each year is the sum of the amount shown, as adjusted, and the principal amount coming due, at maturity or by mandatory redemption, on the Subseries E-1 Bonds.