NEW ISSUE

In the opinion of Bond Counsel, interest on the Bonds will be exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including the City, and assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended, as described herein, interest on the Bonds will not be includable in the gross income of the owners thereof for Federal income tax purposes. See "SECTION III: MISCELLANEOUS—Tax Exemption" herein for further information.

$350,000,000

The City of New York

General Obligation Bonds, Fiscal 2004
Subseries A-2 through Subseries A-6

ADJUSTABLE RATE BONDS

Dated: Date of Delivery | Due: August 1, 2031

The Bonds will be issued as registered bonds. The Bonds will be registered in the nominee name of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds.

The Adjustable Rate Bonds will be issuable initially in Authorized Denominations of $100,000 or any integral multiple of $5,000 in excess of $100,000. Other terms of the Bonds including interest rates, interest payment dates, mandatory and optional redemption and tender provisions and authorized denominations are described herein. *A detailed schedule of the Bonds is set forth on the inside cover page.*

The Adjustable Rate Bonds are subject to redemption and to optional and mandatory tender under the circumstances described herein. Payment of the Purchase Price on the Adjustable Rate Bonds tendered for purchase as described herein will be made pursuant and subject to the terms of the Credit Facilities described herein provided severally by Bank of America, N.A., The Bank of Nova Scotia, acting through its New York Agency, BNP Paribas, acting through its San Francisco Branch, HSBC Bank USA and Landesbank Baden-Württemberg, acting through its New York Branch, (collectively, the "Banks"), each Credit Facility representing separate obligations of the respective Bank in respect of separate Subseries as shown on the inside cover.

The Bonds are offered subject to prior sale, when, as and if issued by the City and accepted by the Underwriters, subject to the approval of the legality of the Bonds by Sidley Austin Brown & Wood LLP, New York, New York, Bond Counsel to the City, and to certain other conditions. Certain legal matters in connection with the preparation of this Official Statement will be passed upon for the City by Morgan, Lewis & Bockius LLP, New York, New York. Certain legal matters will be passed upon for the Underwriters by Clifford Chance US LLP, New York, New York. It is expected that the Bonds will be available for delivery in New York, New York, on or about July 14, 2003.

Bear, Stearns & Co. Inc.
(Underwriter and Remarketing Agent for Subseries A-3 Bonds)

Citigroup
(Underwriter and Remarketing Agent for Subseries A-6 Bonds)

UBS Financial Services Inc.
(Underwriter and Remarketing Agent for Subseries A-2 and A-4 Bonds)

Banc of America Securities LLC
(Underwriter and Remarketing Agent for Subseries A-5 Bonds)

July 7, 2003

$350,000,000 General Obligation Bonds, Fiscal 2004
Subseries A-2 through Subseries A-6[(1)]

	Subseries A-2[(2)]		Subseries A-3[(3)]		Subseries A-4[(4)]	
Maturity	**Principal Amount**	**Price**	**Principal Amount**	**Price**	**Principal Amount**	**Price**
August 1, 2031	$75,000,000(†)	100%	$100,000,000(†)	100%	$25,000,000(†)	100%

	Subseries A-5[(5)]		Subseries A-6[(6)]	
Maturity	**Principal Amount**	**Price**	**Principal Amount**	**Price**
August 1, 2031	$50,000,000(†)	100%	$100,000,000(†)	100%

(†) Term Bond.

(1) Fiscal 2004 Subseries A-1 General Obligation Bonds of The City of New York in the amount of $572,285,000 are being issued simultaneously with the Subseries A-2 through A-6 Bonds, are described in a separate official statement and are not offered hereby.

(2) Adjustable Rate Bonds. See "APPENDIX B—MULTI-MODAL BONDS." UBS Financial Services Inc. is the Remarketing Agent for the Subseries A-2 Bonds, which will be in the Weekly Rate Mode with the interest rate reset each Tuesday effective Wednesday, supported by a Credit Facility provided by Bank of America, N.A.

(3) Adjustable Rate Bonds. See "APPENDIX B—MULTI-MODAL BONDS." Bear, Stearns & Co. Inc. is the Remarketing Agent for the Subseries A-3 Bonds, which will be in the Weekly Rate Mode with the interest rate reset each Tuesday effective Wednesday, supported by a Credit Facility provided by BNP Paribas, acting through its San Francisco Branch.

(4) Adjustable Rate Bonds. See "APPENDIX B—MULTI-MODAL BONDS." UBS Financial Services Inc. is the Remarketing Agent for the Subseries A-4 Bonds, which will be in the Weekly Rate Mode with the interest rate reset each Tuesday effective Wednesday, supported by a Credit Facility provided by The Bank of Nova Scotia, acting through its New York Agency.

(5) Adjustable Rate Bonds. See "APPENDIX B—MULTI-MODAL BONDS." Banc of America Securities LLC is the Remarketing Agent for the Subseries A-5 Bonds, which will be in the Weekly Rate Mode with the interest rate reset each Tuesday effective Wednesday, supported by a Credit Facility provided by HSBC Bank USA.

(6) Adjustable Rate Bonds. See "APPENDIX B—MULTI-MODAL BONDS." Citigroup Global Markets Inc. is the Remarketing Agent for the Subseries A-6 Bonds, which will be in the Weekly Rate Mode with the interest rate reset each Tuesday effective Wednesday, supported by a Credit Facility provided by Landesbank Baden-Württemberg, acting through its New York Branch.

RATE PERIOD TABLE
FOR ADJUSTABLE RATE BONDS

	Daily Rate	**Weekly Rate**	**Commercial Paper Rate**	**Term Rate**	**Fixed Rate**
Interest Payment Date	1st Business Day of each calendar month	1st Business Day of each calendar month	(1) If Rate Period is six months or less, the Business Day next succeeding the last day of the Rate Period and (2) if Rate Period is more than six months (i) the Business Day next succeeding the last day of the Rate Period and (ii) the first Business Day of the sixth month of the Rate Period	February 1 and August 1 of each year and the Business Day next succeeding the last day of the Rate Period, or as specified by the City	February 1 and August 1 of each year
Record Date	Business Day preceding each Interest Payment Date	Business Day preceding each Interest Payment Date	Business Day preceding each Interest Payment Date	Unless otherwise specified by the City, 15th day of the calendar month immediately preceding an Interest Payment Date	15th day of the calendar month immediately preceding an Interest Payment Date
Reset Date	Not later than 10:00 a.m. on each Business Day	Not later than 4:00 p.m. on the designated Reset Date	Not later than 12:30 p.m. on the first day of each Commercial Paper Rate Period	Not later than a date 2 Business Days prior to the first day of a Term Rate Period	Not later than the Conversion Date
Rate Periods	Commencing on one Business Day extending to, but not including, the next succeeding Business Day	The Rate Period* will be a period of generally seven days beginning on the day of the week specified therefor	A period of 1 to 365 days	Commencing on a Conversion Date or a date immediately following a Term Rate Period and ending as specified by the City	Commencing on the Conversion Date extending to the date of conversion, redemption or maturity
Optional Tender Date and Time	On any Business Day not later than 1:00 p.m.	On the commencement date of each Weekly Rate Period not later than 1:00 p.m.	Not subject to optional tender	Not subject to optional tender	Not subject to optional tender
Notice Period for Optional Tenders	Written notice not later than 10:00 a.m. on the Optional Tender Date	Written notice not later than 12:00 noon on the Reset Date	Not subject to optional tender	Not subject to optional tender	Not subject to optional tender
Payment Date for Bonds subject to optional tender	Not later than 4:15 p.m. on the Optional Tender Date	Not later than 4:15 p.m. on the Optional Tender Date	Not subject to optional tender	Not subject to optional tender	Not subject to optional tender
Payment Date for Tendered Bonds (mandatory tender)	Not later than 4:15 p.m. on the Mandatory Tender Date	Not later than 4:15 p.m. on the Mandatory Tender Date	Not later than 4:15 p.m. on the Mandatory Tender Date	Not later than 4:15 p.m. on the Mandatory Tender Date	Not later than 4:15 p.m. on a Conversion Date on which an optional redemption could occur

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 "APPENDIX B—MULTI-MODAL BONDS" for a description of the Adjustable Rate Bonds.

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* The Weekly Rate Period with respect to Subseries A-2 through A-6 Bonds will commence on a Wednesday and will extend to and include the next succeeding Tuesday.

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No dealer, broker, salesperson or other person has been authorized by the City or the Underwriters to give any information or to make any representations in connection with the Bonds or the matters described herein, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the matters described herein since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. The Underwriters may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriters. No representations are made or implied by the City or the Underwriters as to any offering of any derivative instruments.

The factors affecting the City's financial condition are complex. This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its location herein. Where agreements, reports or other documents are referred to herein, reference should be made to such agreements, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof. Any electronic reproduction of this Official Statement may contain computer-generated errors or other deviations from the printed Official Statement. In any such case, the printed version controls.

This Official Statement incorporates by reference forecasts, projections and estimates that are based on expectations and assumptions which existed at the time such forecasts, projections and estimates were prepared. In light of the important factors that may materially affect economic conditions in the City, the inclusion by reference in this Official Statement of such forecasts, projections and estimates should not be regarded as a representation by the City 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 through incorporation by reference in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the City. These forward-looking statements speak only as of the date they were prepared. The City disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein by specific reference to reflect any change in the City's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based between modifications to the City's financial plan required by law.

OFFICIAL STATEMENT OF THE CITY OF NEW YORK
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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. 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. IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THIS OFFICIAL STATEMENT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

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OFFICIAL STATEMENT
OF
THE CITY OF NEW YORK

This Official Statement provides certain information concerning The City of New York (the "City") in connection with the sale of the variable rate portion of the City's General Obligation Bonds, Fiscal 2004 Series A (the "Multi-Modal Bonds" or the "Bonds"). The Multi-Modal Bonds consist of $350,000,000 adjustable rate bonds (the "Adjustable Rate Bonds"). In addition to the $350,000,000 Multi-Modal Bonds, $572,285,000 of the City's General Obligation Bonds, Fiscal 2004 Subseries A-1 and $77,330,000 of the City's General Obligation Bonds, Fiscal 2004 Series B will be issued as fixed rate bonds (the "Fixed Rate Bonds"), which are described in a separate official statement and are not offered hereby.

The Bonds will be general obligations of the City for the payment of which the City will pledge its faith and credit. All real property subject to taxation by the City will be subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, to pay the principal of, applicable redemption premium, if any, and interest on the Bonds.

The factors affecting the City's financial condition and the Bonds described throughout this Official Statement are complex and are not intended to be summarized in this Introductory Statement. This Official Statement (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 City's Official Statement dated July 2, 2003, delivered herewith and 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:

INTRODUCTORY STATEMENT (excluding the first and last paragraphs thereof)
SECTION I: RECENT FINANCIAL DEVELOPMENTS
SECTION II: THE BONDS
  Bond Certificates
SECTION III: GOVERNMENT AND FINANCIAL CONTROLS
SECTION IV: SOURCES OF CITY REVENUES
SECTION V: CITY SERVICES AND EXPENDITURES
SECTION VI: FINANCIAL OPERATIONS
SECTION VII: FINANCIAL PLAN
SECTION VIII: INDEBTEDNESS
SECTION IX: OTHER INFORMATION
  Pension Systems
  Litigation
  Verification
  Financial Advisor
  Further Information
APPENDIX A—ECONOMIC AND DEMOGRAPHIC INFORMATION
APPENDIX B—FINANCIAL STATEMENTS
APPENDIX C—BONDS TO BE REDEEMED

The Fixed Rate Bonds described in such Official Statement are not offered by this Official Statement.

SECTION II: THE BONDS

General

The Bonds will be general obligations of the City issued pursuant to the Constitution and laws of the State, including the Local Finance Law (the "LFL"), and the New York City Charter (the "City Charter") and in accordance with bond resolutions of the Mayor and a certificate of the Deputy Comptroller for

Public Finance (the "Certificate"). The Bonds will mature and bear interest as described on the inside cover page of this Official Statement and will contain a pledge of the City's faith and credit for the payment of the principal of and interest on the Bonds. All real property subject to taxation by the City will be subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, to pay the principal of and interest on the Bonds.

Adjustable Rate Bonds

For the terms of the Adjustable Rate Bonds, including optional and mandatory tender provisions, see the inside cover page and "APPENDIX B—MULTI-MODAL BONDS." The Adjustable Rate Bonds may be converted to Auction Rate Bonds under certain circumstances as described in "APPENDIX B—MULTI-MODAL BONDS." Auction procedures are not described herein.

Payment Mechanism

Pursuant to the New York State Financial Emergency Act For The City of New York (the "Financial Emergency Act" or the "Act"), a general debt service fund (the "General Debt Service Fund" or the "Fund") has been established for City bonds and certain City notes. Pursuant to the Act, payments of the City real estate tax must be deposited upon receipt in the Fund, and retained under a statutory formula, for the payment of debt service (with exceptions for debt service, such as principal of seasonal borrowings, that is set aside under other procedures). The statutory formula has in recent years resulted in retention of sufficient real estate taxes to comply with the City Covenants (as defined in "SECTION II: THE BONDS—Certain Covenants and Agreements"). If the statutory formula does not result in retention of sufficient real estate taxes to comply with the City Covenants, the City will comply with the City Covenants either by providing for early retention of real estate taxes or by making cash payments into the Fund. The principal of and interest on the Bonds will be paid from the Fund until the Act expires on July 1, 2008, and thereafter from a separate fund maintained in accordance with the City Covenants. Since its inception in 1978, the Fund has been fully funded at the beginning of each payment period.

If the Control Board determines that retentions in the Fund are likely to be insufficient to provide for the debt service payable therefrom, it must require that additional real estate tax revenues be retained or other cash resources of the City be paid into the Fund. In addition, the Control Board is required to take such action as it determines to be necessary so that the money in the Fund is adequate to meet debt service requirements.

Enforceability of City Obligations

As required by the State Constitution and applicable law, the City pledges its faith and credit for the payment of the principal of and interest on all City indebtedness. Holders of City debt obligations have a contractual right to full payment of principal and interest at maturity. If the City fails to pay principal or interest, the holder has the right to sue and is entitled to the full amount due, including interest to maturity at the stated rate and at the rate authorized by law thereafter until payment. Under the General Municipal Law, if the City fails to pay any money judgment, it is the duty of the City to assess, levy and cause to be collected amounts sufficient to pay the judgment. Decisions indicate that judicial enforcement of statutes such as this provision in the General Municipal Law is within the discretion of a court. Other judicial decisions also indicate that a money judgment against a municipality may not be enforceable against municipal property devoted to public use.

The rights of the owners of Bonds to receive interest, principal and redemption premium, if any, from the City could be adversely affected by a restructuring of the City's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of City securities (including the Bonds) to payment from money retained in the Fund or from other sources would be recognized if a petition were filed by or on behalf of the City under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such money might then be available for the payment of all City creditors generally. Judicial enforcement of the City's obligation to make payments into the Fund, of the obligation to retain money in the Fund, of the rights of holders of bonds and notes of the City to money in the Fund, of the obligations of the City under the City Covenants and of the State under the State Covenant and the State Pledge and Agreement (in each case, as defined in "—Certain Covenants and Agreements") may be within the discretion of a court. For further information concerning rights of owners of Bonds against the City, see "SECTION VIII: INDEBTEDNESS—Indebtedness of the City and Certain Other Entities" included herein by specific reference.

Certain Covenants and Agreements

The City will covenant that: (i) a separate fund or funds for the purpose of paying principal of and interest on bonds and interest on notes of the City (including required payments into, but not from, City sinking funds) shall be maintained by an officer or agency of the State or by a bank or trust company; and (ii) not later than the last day of each month, there shall be on deposit in a separate fund or funds an amount sufficient to pay principal of and interest on bonds and interest on notes of the City due and payable in the next succeeding month. The City currently uses the debt service payment mechanism described above to perform these covenants. The City will also covenant to include as terms of the variable rate Bonds the respective provisions applicable thereto and to comply with such provisions and the statutory restrictions.

The State pledges and agrees in the Financial Emergency Act that the State will not take any action that will impair the power of the City to comply with the covenants described in the preceding paragraph (the "City Covenants") or any right or remedy of any owner of the Bonds to enforce the City Covenants (the "State Pledge and Agreement"). The City will covenant to make continuing disclosure with respect to the Bonds (the "Undertaking") to the extent summarized in "SECTION IX: OTHER INFORMATION—Continuing Disclosure Undertaking" included herein by specific reference. In the opinion of Bond Counsel, the enforceability of the City Covenants, the Undertaking and the State Pledge and Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of the State's police powers and of judicial discretion in appropriate cases. The City Covenants, the Undertaking and the State Pledge and Agreement shall be of no force and effect with respect to any Bond if there is a deposit in trust with a bank or trust company of sufficient cash or cash equivalents to pay when due all principal of, applicable redemption premium, if any, and interest on such Bond.

Use of Proceeds

The proceeds of the Bonds will be used, together with the proceeds of the Fixed Rate Bonds, to redeem, at or prior to maturity, the bonds identified in Appendix C included herein by specific reference by providing for the payment of the principal of and interest and redemption premium, if any, on such bonds to the extent and to the payment dates shown. The proposed refunding is subject to the delivery of the Bonds and the Fixed Rate Bonds.

Optional Redemption

The Bonds are subject to redemption prior to maturity at the option of the City, in whole or in part, (a) if bearing interest at a Daily, Commercial Paper, Weekly or Auction Rate, on any potential Conversion Date of such Multi-Modal Bonds, or (b) if bearing interest as Bank Bonds or at the highest rate provided by law for interest on accrued claims against municipalities on any date, in each case on 30 days' notice to Bondholders at the principal amount thereof plus any interest accrued and unpaid thereon.

The Bonds of a Subseries and maturity bearing interest at a Fixed Rate will be subject to redemption at the option of the City, beginning on the tenth anniversary of a Conversion to the Fixed Rate, in whole or in part, by lot within each maturity, on any date upon 30 days' notice to Bondholders, at a redemption price of 100% plus accrued interest to the date of redemption.

In the event that less than all the Bonds of a Rate Mode, Subseries and maturity subject to redemption are to be redeemed, the Bonds shall be selected for redemption in the following manner: (i) first, from the Bonds, if any, of any Rate Mode, Subseries and maturity subject to such redemption which are held by or for the Subseries Bank, (ii) second, from other Bonds bearing interest as Bank Bonds or at the highest rate provided by law for interest on accrued claims against municipalities, and (iii) third, by lot.

Prior to Conversion to a Fixed Rate, such optional redemption provisions may be amended if the City receives a Favorable Opinion of Bond Counsel.

The City may select Subseries, Rate Modes and amounts of Bonds for optional redemption in its sole discretion.

On and after any redemption date, interest will cease to accrue on the Bonds called for redemption.

Mandatory Redemption

The Bonds are Term Bonds subject to mandatory redemption upon 30 days' notice to Bondholders, by lot within each stated maturity, on each August 1 at a redemption price equal to the principal amount thereof, plus accrued interest, without premium, in the amounts set forth below:

Subseries A-2

August 1	Amount
2024	$ 6,000,000
2025	9,950,000
2026	10,425,000
2027	10,950,000
2028	11,475,000
2029	12,025,000
2030	6,950,000
2031	7,225,000*

Subseries A-3

August 1	Amount
2024	$ 7,950,000
2025	13,275,000
2026	13,925,000
2027	14,600,000
2028	15,300,000
2029	16,050,000
2030	9,275,000
2031	9,625,000*

Subseries A-4

August 1	Amount
2024	$2,000,000
2025	3,315,000
2026	3,475,000
2027	3,625,000
2028	3,830,000
2029	4,015,000
2030	2,335,000
2031	2,405,000*

Subseries A-5

August 1	Amount
2024	$4,000,000
2025	6,625,000
2026	6,950,000
2027	7,300,000
2028	7,650,000
2029	8,025,000
2030	4,625,000
2031	4,825,000*

Subseries A-6

August 1	Amount
2024	$ 7,950,000
2025	13,275,000
2026	13,925,000
2027	14,600,000
2028	15,300,000
2029	16,050,000
2030	9,275,000
2031	9,625,000*

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* Stated Maturity

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

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

Mandatory and Optional Tender

The Bonds are subject to mandatory and optional tender as described in "APPENDIX B—MULTI-MODAL BONDS."

Credit Facilities

Each of the Banks listed on the inside cover page hereof has agreed to provide a Credit Facility in the form of a standby letter of credit with respect to the Subseries of Bonds designated on the inside cover page hereof for such Bank. For a description of certain provisions of the Credit Facilities to be provided by the Banks, see "APPENDIX B—MULTI MODAL BONDS." For information regarding the Banks, "APPENDIX C — THE BANKS."

SECTION III: MISCELLANEOUS

Supplemental Certificates

For any one or more of the following purposes and at any time or from time to time, the City may enter into a supplement to the Certificate:

(a) to cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision relating to the Multi-Modal Bonds;

(b) to identify particular Multi-Modal Bonds for purposes not inconsistent with the Certificate, including credit or liquidity support, remarketing, serialization and defeasance; or

(c) to insert such provisions with respect to the Multi-Modal Bonds as are necessary or desirable and are not to the prejudice of the Bondholders.

Each supplement is conditioned upon delivery to the City of a Favorable Opinion of Bond Counsel.

Tax Exemption

In the opinion of Sidley Austin Brown & Wood LLP, New York, New York, as Bond Counsel, except as provided in the following sentence, interest on the Bonds will not be includable in the gross income of the owners of the Bonds for purposes of Federal income taxation under existing law. Interest on the Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of the Bonds in the event of a failure by the City to comply with applicable requirements of the Internal Revenue Code of 1986, as amended, (the "Code"), and covenants regarding use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the United States Treasury; and no opinion is rendered by Sidley Austin Brown & Wood LLP as to the exclusion from gross income of the interest on the Bonds for Federal income tax purposes on or after the date on which any action is taken under the Bond proceedings upon the approval of counsel other than such firm.

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

Interest on the Bonds will not be a specific preference item for purposes of the Federal individual or corporate alternative minimum tax. The Code contains other provisions that could result in tax consequences, upon which Sidley Austin Brown & Wood LLP renders no opinion, as a result of ownership of such Bonds or the inclusion in certain computations (including, without limitation, those related to the corporate alternative minimum tax) of interest that is excluded from gross income. Interest on the Bonds owned by a corporation will be included in the calculation of the corporation's Federal alternative minimum tax liability.

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 Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

Legislation affecting municipal securities is constantly being considered by the United States Congress. There can be no assurance that legislation enacted after the date of issuance of the Bonds will not have an adverse effect on the tax-exempt status of the Bonds. Legislative or regulatory actions and proposals may also affect the economic value of the tax exemption or the market price of the Bonds.

Legal Opinions

The legality of the authorization and issuance of the Bonds will be covered by the approving legal opinion of Sidley Austin Brown & Wood LLP, New York, New York, Bond Counsel to the City. Reference should be made to the form of such opinion set forth in Appendix D hereto for the matters covered by such opinion and the scope of Bond Counsel's engagement in relation to the issuance of the Bonds. Such firm is also acting as counsel for and against the City in certain other unrelated matters.

Certain legal matters will be passed upon for the City by its Corporation Counsel.

Morgan, Lewis & Bockius LLP, New York, New York, Special Counsel to the City, will pass upon certain legal matters in connection with the preparation of this Official Statement. A description of those matters and the nature of the review conducted by that firm is set forth in its opinion and accompanying memorandum which are on file at the office of the Corporation Counsel. Such firm is also acting as counsel against the City in certain unrelated matters.

Certain legal matters will be passed upon by Clifford Chance US LLP, New York, New York, counsel for the Underwriters. Such firm is also acting as counsel for and against the City in certain unrelated matters.

Underwriting

The Subseries A-2 Bonds are being purchased for reoffering by UBS Financial Services Inc. who has agreed, subject to certain conditions, to purchase such Bonds from the City at an aggregate underwriter's discount of $4,333.21 and to make an initial public offering of such Bonds at prices that are not in excess of the initial public offering price set forth on the inside cover page of this Official Statement. UBS Financial Services Inc. will be obligated to purchase all such Bonds if any such Bonds are purchased. The Subseries A-3 Bonds are being purchased for reoffering by Bear, Stearns & Co. Inc. who has agreed, subject to certain conditions, to purchase such Bonds from the City at an aggregate underwriter's discount of $5,777.62 and to make an initial public offering of such Bonds at prices that are not in excess of the initial public offering price set forth on the inside cover page of this Official Statement. Bear, Stearns & Co. Inc. will be obligated to purchase all such Bonds if any such Bonds are purchased. The Subseries A-4 Bonds are being purchased for reoffering by UBS Financial Services Inc. who has agreed, subject to certain conditions, to purchase such Bonds from the City at an aggregate underwriter's discount of $1,444.40 and to make an initial public offering of such Bonds at prices that are not in excess of the initial public offering price set forth on the inside cover page of this Official Statement. UBS Financial Services Inc. will be obligated to purchase all such Bonds if any such Bonds are purchased. The Subseries A-5 Bonds are being purchased for reoffering by Banc of America Securities LLC who has agreed, subject to certain conditions, to purchase such Bonds from the City at an aggregate underwriter's discount of $2,888.81 and to make an initial public offering of such Bonds at prices that are not in excess of the initial public offering price set forth on the inside cover page of this Official Statement. Banc of America Securities LLC will be obligated to purchase all such Bonds if any such Bonds are purchased. The Subseries A-6 Bonds are being purchased for reoffering by Citigroup Global Markets Inc. who has agreed, subject to certain conditions, to purchase such Bonds from the City at an aggregate underwriter's discount of $5,777.62 and to make an initial public offering of such Bonds at prices that are not in excess of the initial public offering price set forth on the inside cover page of this Official Statement. Citigroup Global Markets Inc. will be obligated to purchase all such Bonds if any such Bonds are purchased.

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

Certain of the Underwriters hold substantial amounts of City bonds and notes and MAC bonds and may, from time to time during and after the offering of the Bonds to the public, purchase and sell City bonds and notes (including the Bonds) and MAC bonds for their own accounts or for their accounts or for the accounts of others, or receive payments or prepayments theron.

THE CITY OF NEW YORK

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DEFINITIONS

"*Adjustable Rate Bonds*" means the Multi-Modal Bonds that are not Auction Rate Bonds.

"*Authorized Denominations*" means (i) during the Initial Rate Period for the Adjustable Rate Bonds, any Daily Rate Period, any Commercial Paper Rate Period, or any Weekly Rate Period, $100,000 or any integral multiple of $5,000 in excess of $100,000, (ii) during any Term Rate Period or the Fixed Rate Period, $5,000 or any integral multiple thereof and (iii) during the Auction Rate Mode, except as otherwise may be specified in the Certificate, $25,000 and any integral multiple thereof.

"*Authorized Officer*" means the Deputy Comptroller for Public Finance of the City, and, when used with reference to the performance of any act, the discharge of any duty or the execution of any certificate or other document, any officer, employee or other person authorized to perform such act, discharge such duty or execute such certificate or other document.

"*Bank of America*" means Bank of America, N.A., the provider of a Credit Facility for the Subseries A-2 Bonds.

"*Bank Bond*" or "*Purchased Bond*" means any Multi-Modal Bond held pursuant to a Liquidity Facility. The terms of Purchased Bonds are not described in detail in this Official Statement.

"*BNP Paribas*" means BNP Paribas, acting through its San Francisco Branch, the provider of a Credit Facility for the Subseries A-3 Bonds.

"*Bondholder*" or "*Holder*" or "*Owner*" means any person who shall be the registered owner of any Multi-Modal Bonds.

"*Book Entry Form*" or "*Book Entry System*" means a form or system under which physical Multi-Modal 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 New York Stock Exchange, the Fiscal Agent, the Auction Agent, the Broker-Dealers, the Remarketing Agents or banks and trust companies in New York, New York, are authorized or required to remain closed.

"*Certificate*" means the Certificate of the Deputy Comptroller for Public Finance of the City, with respect to the Bonds, including all Exhibits, Schedules and Appendices.

"*City Account*" means the account so designated and established within the Purchase and Remarketing Fund.

"*Commercial Paper Mode*" means a Rate Mode in which each Multi-Modal Bond for its respective Commercial Paper Rate Period bears interest at a Commercial Paper Rate.

"*Commercial Paper Rate*" means the rate at which Multi-Modal Bonds bear interest during the Commercial Paper Rate Period.

"*Commercial Paper Rate Period*" means, with respect to a particular Multi-Modal Bond, a period of one to 365 days during which such Multi-Modal Bond bears interest at a Commercial Paper Rate; and the first day immediately following the last day of each Commercial Paper Rate Period shall in all events be a Business Day.

"*Conversion*" means a change in the Rate Mode of a Multi-Modal Bond or a change from one Auction Period to another Auction Period for an Auction Rate Bond.

"*Conversion Date*" means the date of a Conversion or proposed Conversion.

"*Conversion Notice*" means a notice of a change in the Interest Rate Mode or Auction Period.

"*Credit Facility*" means a Standby Agreement that specifies no Liquidity Conditions and provides for the purchase of Bonds in the event of the City's failure to pay interest or principal when due.

"*Daily Rate*" means the rate at which Multi-Modal Bonds bear interest during a Daily Rate Period.

"*Daily Rate Mode*" means a Rate Mode in which Multi-Modal 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 Multi-Modal Bonds bear interest at the Daily Rate.

"*Default Notice*" means, with respect to a notice given by a Standby Purchaser pursuant to a Standby Agreement to the effect that an event of default thereunder has occurred and that the Liquidity Facility issued by such Standby Purchaser will terminate on the date specified in such notice.

"*Direct Participant*" means a participant in the book-entry system of recording ownership interests in the Multi-Modal 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 Multi-Modal Bonds, or any successor Depository for any Multi-Modal Bonds; and includes each nominee thereof.

"*Electronic Means*" means telephone, telecopy, telegraph, telex, internet, electronic mail, facsimile transmission or any other similar means of electronic communication. Any communication by telephone as an Electronic Means shall be promptly confirmed in writing or by one of the other means of electronic communication authorized herein.

"*Expiration Date*" when used in connection with a particular Liquidity Facility means the date on which such Liquidity Facility will expire, as such date may be extended from time to time.

"*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 Certificate and will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from gross income for purposes of federal income taxation.

"*Fiduciary*" means each Fiscal Agent, Paying Agent, Tender Agent or Auction Agent.

"*Fiscal Agent*" means The Bank of New York and its successors as the City's fiscal agent.

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

"*Fixed Rate*" means the rate at which Multi-Modal Bonds bear interest to maturity (or earlier redemption or Conversion).

"*Fixed Rate Mode*" means a Rate Mode in which Multi-Modal Bonds bear interest at a Fixed Rate.

"*Fixed Rate Period*" means the period from and including the Conversion Date and extending to the date of conversion, redemption or maturity.

"*HSBC*" means HSBC Bank USA, the provider of a Credit Facility for the Subseries A-5 Bonds.

"*Initial Rate*" means each rate per annum at which Multi-Modal Bonds will bear interest during the Initial Rate Period, as set forth in the Certificate.

"*Initial Rate Period*" means the period commencing on the Issue Date and extending to and including the date set forth in the Certificate as the last day of the Initial Rate Period.

"*Interest Payment Date*" means with respect to (i) each Initial Rate Period, any Daily Rate Period, or any Weekly Rate Period, the first Business Day of each month, (ii) any Commercial Paper Rate Period of six months or less, the Business Day next succeeding the last day of the Rate Period, (iii) any Commercial Paper Rate Period exceeding six months, the first Business Day of the sixth month and the

Business Day next succeeding the last day of the Rate Period, (iv) any Term Rate Period, each February 1 and August 1 and the Business Day following the Period, or as specified by the City, (v) the Fixed Rate Period, February 1 and August 1 of each year, commencing as determined by the City, (vi) any Auction Period, (a) other than a daily Auction Period or a Special Auction Period, the Business Day immediately following such Auction Period, (b) that is a daily Auction Period, the first Business Day of the month immediately succeeding such Auction Period, and (c) that is a Special Auction Period of (i) seven or more but fewer than 92 days, the Business Day immediately following such Special Auction Period, or (ii) 92 or more days, each thirteenth Monday after the first day of such Special Auction Period or the next Business Day if such Monday is not a Business Day and on the Business Day immediately following such Special Auction Period. If any such date is not a Business Day, the Interest Payment Date shall be the succeeding Business Day. With respect to all Bonds, interest shall be payable on each Mandatory Tender Date, redemption date or maturity date.

"*Issue Date*" means July 14, 2003.

"*LBBW*" means Landesbank Baden-Württemberg, acting through its New York Branch, the provider of a Credit Facility for the Subseries A-6 Bonds.

"*LFL*" means the Local Finance 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 that is not a Credit Facility, under which condition the Standby Purchaser is not obligated to purchase Multi-Modal Bonds and, accordingly, such Bonds are not subject to tender for purchase. All the initial Liquidity Facilities are Credit Facilities, so Liquidity Conditions and their consequences are not further described in this Official Statement.

"*Liquidity Enhanced Bonds*" means the Subseries A-2 through A-6 Bonds bearing interest at their Initial Rates and any Multi-Modal Bonds in the Daily Rate Mode, Weekly Rate Mode, Commercial Paper Mode or Term Rate Mode.

"*Mandatory Tender Date*" means any date on which a Multi-Modal Bond is subject to mandatory tender in accordance with the Certificate.

"*Maximum Rate*" means, with respect to (i) the Liquidity Enhanced Bonds, 9%, (ii) Bank Bonds, 25% or (iii) all other Bonds, such rate not exceeding 25% as may be specified by supplemental certificate.

"*Mode*" means the Daily Rate Mode, Commercial Paper Rate Mode, Weekly Rate Mode, Term Rate Mode, Fixed Rate Mode or Auction Rate Mode.

"*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.

"*Multi-Modal Bonds*" means $350,000,000 of the City's General Obligation Bonds, Fiscal 2004 Series A, consisting of Subseries A-2 through A-6.

"*Optional Tender Date*" means any Business Day during a Daily Rate Period or the first day of a Weekly Rate Period.

"*Paying Agent*" means the Fiscal Agent and any additional paying agent for the Multi-Modal Bonds designated by the City.

"*Purchase Account*" means the account so designated in the Purchase and Remarketing Fund.

"*Purchase and Remarketing Fund*" means the Fiscal 2004 Series A Bonds Purchase and Remarketing Fund established pursuant to the Certificate.

"*Purchase Price*" means: (i) when used in relation to Tendered Bonds other than Multi-Modal Bonds tendered upon a Conversion from the Fixed Rate Mode, 100% of the principal amount of any Multi-Modal Bond tendered or deemed tendered to the Tender Agent for purchase pursuant to the Certificate; and (ii) when used in relation to Tendered Bonds mandatorily tendered upon Conversion from the Fixed Rate Mode, an amount equal to the Redemption Price that would be payable if such Multi-Modal Bonds had been called for redemption on the Conversion Date; in each case, plus (unless otherwise provided for) accrued and unpaid interest thereon to the date of purchase.

"*Rate*" means the Initial Rate, any Daily Rate, Commercial Paper Rate, Weekly Rate, Term Rate, Purchased Bond Rate, the Fixed Rate or the Auction Rate.

"*Rate Mode*" means the Daily Rate Mode, Commercial Paper Rate Mode, Weekly Rate Mode, Term Rate Mode, Fixed Rate Mode or Auction Rate Mode.

"*Rate Period*" means each Initial Rate Period, any Daily Rate Period, any Commercial Paper Rate Period, any Weekly Rate Period, any Term Rate Period, the Fixed Rate Period or any Auction Period.

"*Rating Agency*" means each nationally recognized statistical rating organization that has, at the request of the City, a rating in effect for the Multi-Modal Bonds.

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

"*Rating Confirmation*" means a written notice from each Rating Agency that its rating on the Multi-Modal Bonds will not be suspended, withdrawn or reduced (by Moody's) or reduced in Rating Category (by other Rating Agencies) solely as a result of action proposed to be taken under the Certificate.

"*Record Date*" means, with respect to each Interest Payment Date, (i) during the Initial Rate Period, any Daily Rate Period, any Commercial Paper Rate Period, any Weekly Rate Period or any Auction Period, the close of business on the Business Day preceding such Interest Payment Date, and (ii) during any Term Rate Period (unless otherwise specified by the City) or the Fixed Rate Period, the close of business on the 15th day of the calendar month immediately preceding any Interest Payment Date.

"*Remarketing Agent*" means each remarketing agent for Liquidity Enhanced Bonds.

"*Remarketing Agreement*" means each Remarketing Agreement between the City and a Remarketing Agent.

"*Remarketing Proceeds Account*" means the account so designated and in the Purchase and Remarketing Fund pursuant to the Certificate.

"*Reset Date*" means the date on which the interest rate on an Adjustable Rate Bond is to be determined.

"*S&P*" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and its successors and assigns; references to S&P are effective so long as S&P is a Rating Agency.

"*Scotiabank*" means The Bank of Nova Scotia, acting through its New York Agency, the provider of a Credit Facility for the Subseries A-4 Bonds.

"*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 City which agrees to follow the procedures required to be followed by such securities depository in connection with the Bonds.

"*Series 2004 A Bonds", "Series A Bonds*" or "*Fiscal 2004 Series A Bonds*" means the City's General Obligation Bonds, Fiscal 2004 Series A, to be issued July 14, 2003.

"*Standby Agreement", "Liquidity Facility*" 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. Each initial Standby Agreement is a Credit Facility provided by a Subseries Bank.

"*Standby Purchaser", "Liquidity Provider*", "*Subseries Bank*" or "*Bank*" means any provider of a Standby Agreement then in effect for Liquidity Enhanced Bonds. Initially, the Standby Purchasers for the respective Subseries are:

Subseries A-2:	Bank of America
Subseries A-3:	BNP Paribas
Subseries A-4	Scotiabank
Subseries A-5	HSBC
Subseries A-6	LBBW

"*Subseries Bank*" means Bank of America, Scotiabank, BNP Paribas, HSBC and LBBW and any other Standby Purchaser that is a bank.

"*Subseries*" shall mean each Subseries in which the Series 2004 A Bonds are issued, or such other Subseries of Series 2004 A Bonds as may be identified from time to time.

"*TBMA Municipal Index*" means the TBMA Municipal Swap Index disseminated by Municipal Market Data, a Thomson Financial Services Company or its successor; or, if at the time a Weekly Rate is to be determined Municipal Market Data has not provided the relevant information on the TBMA Municipal Index for the most recent Wednesday, then the rate determined by Municipal Market Data on the Tuesday next preceding the beginning of the Weekly Rate Period for which such Weekly Rate is to be determined.

"*Tender Agent*" means the Fiscal Agent and any additional Tender Agent appointed by the City.

"*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 Certificate.

"*Tendered Bond*" means a Liquidity Enhanced Bond or portion thereof of an Authorized Denomination mandatorily tendered or tendered at the option of the Holder thereof for purchase in accordance with the Certificate, including a Multi-Modal Bond or portion thereof deemed tendered, but not surrendered on the applicable Tender Date.

"*Term Rate*" means the rate at which Multi-Modal Bonds bear interest during a Term Rate Period.

"*Term Rate Mode*" means a Rate Mode in which Multi-Modal Bonds bear interest at a Term Rate.

"*Term Rate Period*" means a period commencing on a Conversion Date or a date immediately following a Term Rate Period and extending for a period specified by the City.

"*Termination Date*" means the date on which a Liquidity Facility will terminate as set forth in a Default Notice delivered by or for the Subseries Bank in accordance with the Standby Agreement.

"*Weekly Rate*" means the rate at which Multi-Modal Bonds bear interest during a Weekly Rate Period.

"*Weekly Rate Mode*" means a Rate Mode in which a Multi-Modal Bonds bear interest at a Weekly Rate.

"*Weekly Rate Period*" means, unless otherwise specified by an Authorized Officer of the City, a period commencing on a Conversion Date or the Wednesday of a calendar week and extending to and including the next succeeding Tuesday.

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MULTI-MODAL BONDS

The Multi-Modal Bonds are subject to the provisions summarized below. Capitalized terms used in this "APPENDIX B—MULTI-MODAL BONDS" which are not otherwise defined in the Official Statement are defined in "APPENDIX A—DEFINITIONS."

General

$350,000,000 aggregate principal amount of the City's General Obligation Bonds, Fiscal 2004 Series A, are to be issued as Multi-Modal Bonds designated as Subseries A-2 through A-6 ("Adjustable Rate Bonds") which, after the two-day Initial Rate Period, will be in the Weekly Rate Mode until converted to a different Rate Mode.

The Subseries A-2 through A-6 Bonds will bear interest at the Initial Rate from July 14, 2003 to and including July 15, 2003 and thereafter at a Weekly Rate until converted to a different Rate Mode. The Adjustable Rate Bonds will be issued as Liquidity Enhanced Bonds backed by Credit Facilities, are subject to mandatory tender for purchase as described under "Mandatory Tender for Purchase" and so long as such Bonds are in a Daily Rate Mode or Weekly Rate Mode, are subject to optional tender for purchase as described under "Optional Tender for Purchase." The Multi-Modal 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 to an Alternate Rate Mode" and "Interest Rates and Reset Dates" below.

During the Initial Rate Period for the Liquidity Enhanced Bonds, a Daily Rate Period, a Commercial Paper Rate Period or a Weekly Rate Period, interest will be computed on the basis of a 365-day or 366-day year for the actual number of days elapsed and during a Term Rate Period and the Fixed Rate Period, interest will be computed on the basis of a 360-day year of twelve 30-day months. During an Auction Rate Mode with an Auction Period of less than six months, interest will be computed on the basis of a 360-day year for the actual number of days elapsed, and during an Auction Rate Mode with a six month Auction Period or a Special Auction Period of six months or more, interest will be computed on the basis of a 360-day year composed of twelve 30-day months.

Interest on the Multi-Modal Bonds will be payable on each Interest Payment Date to the registered owner thereof as shown on the registration books kept by the Fiscal Agent at the close of business on the applicable Record Date.

Interest payable on Liquidity Enhanced Bonds and Auction Rate Bonds will be the interest accruing and unpaid through and including the day preceding the Interest Payment Date.

Conversion to an Alternate Rate Mode

Subject to the conditions in the Certificate, the City may convert all or a portion of the Multi-Modal Bonds in one Rate Mode to a different Rate Mode by delivering a notice (the "Conversion Notice") to, as applicable, the Remarketing Agent, the Standby Purchaser, DTC, the Broker-Dealers, the Auction Agent, the Fiscal Agent and the Tender Agent specifying the Multi-Modal Bonds to be converted, the conversion date (the "Conversion Date") and the Rate Mode that will be effective on the Conversion Date. The Conversion Date for Liquidity Enhanced Bonds and Auction Rate Bonds is a Business Day that is either an Interest Payment Date or the first day of a Rate Period. The Conversion Date for Adjustable Rate Bonds in the Fixed Rate Mode is a potential optional redemption date. The City must deliver such Conversion Notice not less than 15 days prior to the Conversion Date or a shorter period if acceptable to the Fiscal Agent and DTC. The Tender Agent is to give written notice to the registered owner of each Liquidity Enhanced Bond of the City's election to convert to another Rate Mode and the Conversion Date. Such notice is to be given, by first-class mail, not later than three calendar days after receipt by the Tender Agent of the Conversion Notice.

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 Liquidity Enhanced Bonds to be converted, which notice must state (i) the Conversion Date; (ii) the Rate Mode to be effective on such Conversion Date; (iii) the ratings expected to be effective on the Liquidity Enhanced Bonds to be converted after such Conversion Date; (iv) that the Rate Mode will not be converted unless the City receives on the Conversion Date a Favorable Opinion of Bond Counsel; (v) the name and address of the principal corporate trust offices of the Fiscal Agent and Tender Agent; (vi) that the Liquidity Enhanced Bonds to be converted will be subject to mandatory tender for purchase on the Conversion Date at the Purchase Price; (vii) that upon the Conversion, if there is on deposit with the Tender Agent on the Conversion Date an amount sufficient to pay the Purchase Price of the Liquidity Enhanced 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; and (viii) that upon the Conversion to the Commercial Paper Rate Mode, Term Rate Mode, Fixed Rate Mode or the Auction Rate Mode, from and after the Conversion Date the Adjustable Rate Bonds so converted will no longer be subject to optional tender for purchase.

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 Multi-Modal Bonds which are to be converted to a new Rate Mode will be selected by the Fiscal Agent (or, if the City so elects, the City) subject to the provisions of the Certificate regarding Authorized Denominations.

If a Favorable Opinion of Bond Counsel cannot be obtained, or if the election to convert was withdrawn by the City, or if the Remarketing Agent has notified the Fiscal Agent, the City and the Standby Purchaser that it has been unable to remarket the Multi-Modal Bonds on the Conversion Date, the Multi-Modal Bonds will bear interest in the previous Rate Mode or, at the option of the City and in compliance with the provisions of the Certificate regarding conversion of Rate Modes, any other Rate Mode selected by the City.

Interest Rates and Reset Dates

General. The rate at which the Adjustable Rate Bonds will bear interest during any Rate Period will be the lowest 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 Adjustable Rate Bonds, 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 Liquidity Enhanced Bonds will extend beyond the scheduled Expiration Date of the Liquidity Facility then in effect.

Maximum Rate. The Liquidity Enhanced Bonds may not bear interest at a rate greater than the Maximum Rate.

Daily Rate. The Daily Rate for any Business Day is to be determined by the Remarketing Agent and announced 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 Certificate, (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, the Daily Rate for such Daily Rate Period will be the TBMA Municipal Index on the Reset Date.

Weekly Rate. Unless otherwise specified by the City, the Weekly Rate is to be determined by the Remarketing Agent and announced by 4:00 p.m., New York City time, on each Tuesday, and if such Tuesday is not a Business Day, then the next preceding Business Day.

If (i) a Weekly Rate has not been determined by the Remarketing Agent, (ii) no Remarketing Agent is serving under the Certificate, (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 will be the TMBA Municipal Index on the Reset Date.

Commercial Paper Rate. The Commercial Paper Rate Period for each Adjustable Rate Bond in a Commercial Paper Rate Mode is to be determined by the Remarketing Agent and announced by 12:30 p.m., New York City time, on the first day of each Commercial Paper Rate Period. Commercial Paper Rate Periods may be from 1 to 365 days. If the Remarketing Agent fails to specify the next succeeding Commercial Paper Rate Period, such Commercial Paper Rate Period will be the shorter of (i) seven days or (ii) the period remaining to and including the final maturity date of the Adjustable Rate Bonds. Each Adjustable Rate Bond in a Commercial Paper Rate Mode is to bear interest during a particular Commercial Paper Rate Period at a rate per annum equal to the interest rate determined above corresponding to the Commercial Paper Rate Period. An Adjustable Rate Bond can have a Commercial Paper Rate Period and bear interest at a Commercial Paper Rate that differs from other Adjustable Rate Bonds in the Commercial Paper Rate Mode.

If (i) a Commercial Paper Rate for a Commercial Paper Rate Period has not been determined by the Remarketing Agent, (ii) no Remarketing Agent is serving under the Certificate, (iii) the Commercial Paper Rate determined by the Remarketing Agent is held to be invalid or unenforceable with respect to a Commercial Paper Rate Period, or (iv) pursuant to the Remarketing Agreement, the Remarketing Agent is not then required to establish a Commercial Paper Rate, the Commercial Paper Rate will be the TBMA Municipal Index on the Reset Date.

Term Rate. The Term Rate for any Term Rate Period is to be determined by the Remarketing Agent not later than a date two Business Days prior to the Conversion Date or the first day of the next Term Rate Period. If the Remarketing Agent is unable to remarket all of the Adjustable Rate Bonds at the interest rate determined by the Remarketing Agent pursuant to the previous sentence, the Remarketing Agent may at any time prior to the first day of a Term Rate Period increase the interest rate to the lowest rate of interest that would enable the Adjustable Rate Bonds to be sold on such first day at a price of par, plus accrued interest, if any. No less than 20 Business Days prior to the end of each Term Rate Period, the City must deliver to the Fiscal Agent, the Tender Agent and the Remarketing Agent written notice of the City's determination of the next succeeding Term Rate Period, which Term Rate Period is to end on the day preceding a Business Day. However, if the City fails to specify the next succeeding Term Rate Period, such Term Rate Period will be the same period as the immediately preceding Term Rate Period but not later than a day preceding a Business Day that is prior to the maturity date.

If for any reason, the interest rate for the Adjustable Rate Bonds in the Term Rate Mode is not determined by the Remarketing Agent in the manner specified above, the interest rate will be equal to Municipal Market Data General Obligation Yield on bonds with the then long-term ratings as the Bonds that mature on a date that is as nearly as practical the same date as the date on which the new Term Rate Period for such Adjustable Rate Bonds will end. Such interest rate will be based upon the index for the most recent period for which information is available on the Reset Date. If such index or a comparable successor index is no longer published, the interest rate on such Adjustable Rate Bonds will be the interest rate then in effect on such Adjustable Rate Bonds.

Fixed Rate. The Fixed Rate for any Fixed Rate Period is to be determined by the Remarketing Agent or other investment banking firm or firms with which the City has entered into an agreement for the purchase, as underwriters, of the Multi-Modal Bonds on the Conversion Date to the Fixed Mode as agreed to by the City. If a Fixed Rate has not been determined as aforesaid for any reason, then the former Rate Period will continue in effect, unless the City elects another Rate Mode in accordance with the Certificate.

Once the Multi-Modal Bonds are converted to bear interest at the Fixed Rate, the Multi-Modal Bonds will not be converted to bear interest at any other rate until such time as the Adjustable Rate

Bonds are subject to optional redemption. Once the Multi-Modal Bonds in the Fixed Rate Mode are subject to optional redemption, the City may on any potential optional redemption date convert the interest rate on all or part of such Multi-Modal Bonds to an Auction Rate or, provided a Liquidity Facility is in effect to the extent required by the LFL, a Daily Rate, a Weekly Rate, a Commercial Paper Rate or a Term Rate. If for any reason a new interest rate is not determined, then the former Rate Mode will continue in effect, unless the City elects another Rate Mode in accordance with the Certificate.

Optional Tender for Purchase

General. So long as a Credit Facility is in effect, an Adjustable Rate Bond 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 or the first day of a Weekly Rate Period (the "Optional Tender Date") 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 of the Adjustable Rate Bond 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.

The notice must state the name of the registered owner of the Beneficial Owner and the principal amount of the Adjustable Rate Bond, the aggregate principal amount of such Adjustable Rate Bond to be tendered for purchase and the Business Day on which such Adjustable Rate Bond or portion thereof to be tendered for purchase is to be purchased.

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 and 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 10:00 a.m. on any Business Day which 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 12:00 noon, New York City time, on the Business Day prior to the commencement date of the next Weekly Period for such Bonds. 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.

The Multi-Modal Bonds in a Commercial Paper Mode, Term Mode, Fixed Rate Mode or an Auction Rate Mode are not subject to optional tender for purchase.

Mandatory Tender for Purchase

So long as a Credit Facility is in effect, the Liquidity Enhanced 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 for the Adjustable Rate Bonds being converted to a different Rate Mode (other than immediately following the Initial Rate Period);

(b) on the Business Day following each Rate Period for the Adjustable Rate Bonds in the Commercial Paper Rate Mode or the Term Rate Mode;

(c) at least three Business Days prior to the Expiration Date of the Credit Facility in effect with respect to a Subseries of Adjustable Rate Bonds, which will be drawn upon to pay the Purchase Price of tendered Adjustable Rate Bonds, unless such Credit Facility has been extended, or a substitute delivered with Rating Confirmation at least 15 days prior to such Expiration Date;

(d) unless clause (c) is applicable or a Rating Confirmation is provided, at least two Business Days before the effective date of a substitute Credit Facility with respect to a Subseries of Adjustable Rate Bonds, on which date the Credit Facility in effect prior to the substitute Credit Facility will be drawn upon to pay the Purchase Price of tendered Adjustable Rate Bonds that are not remarketed;

(e) on a Business Day that is not less than one Business Day prior to the Termination Date of a Credit Facility relating to a Subseries of Adjustable Rate Bonds specified in the Default Notice delivered by the Standby Purchaser or its agent in accordance with the Credit Facility; and

(f) upon any failure by the City to provide funds to the Fiscal Agent for the payment of principal or interest by 12:00 noon on the maturity or mandatory redemption date or Interest Payment Date, in which event the Fiscal Agent shall cause (i) a draw to be made upon each Standby Purchaser pursuant to each Credit Facility for the immediate purchase of the applicable Bonds and (ii) notice of mandatory tender to be given to each Holder of such Bonds, effective on the same day or, if funds are not available therefor until the next Business Day pursuant to the Credit Facility because of late delivery of the draw notice, then on such next Business Day.

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 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 later than three calendar days after receipt by the Tender Agent of the Conversion Notice from the City. 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 (c), (d) or (e) 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 such notice by first-class mail and not less than five calendar days prior to the effective date of the expiration or earlier termination of the affected Liquidity Facility then in effect or of the effective date of a substitute Liquidity Facility or prior to the date specified in the Default Notice. The failure of any Holder of any portion of Adjustable Rate Bonds to receive such notice will not affect the validity of the proceedings in connection with the effectiveness of the affected Liquidity Facility.

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 Certificate, 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 are 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 Certificate or otherwise for payment of any amount other than the Purchase Price, and such Adjustable Rate Bond or portion thereof will no longer be Outstanding for purposes of the Certificate.

The Bank of New York has been appointed as Tender Agent (the "Tender Agent") for the Adjustable Rate Bonds.

Purchase Price and Payment

On each Tender Date, a Tendered Bond will be purchased at the applicable Purchase Price. The Purchase Price of a Tendered Bond is the principal amount of the Adjustable Rate Bond to be tendered or the amount payable to the registered owner of a Purchased Bond following receipt by such owner of a purchase notice from the Remarketing Agent, plus accrued and unpaid interest from the immediately preceding Interest Payment Date. If the date of purchase is an Interest Payment Date, then the Purchase Price will not include accrued and unpaid interest, which will be paid to the Holder of record on the applicable Record Date.

The Purchase Price of a Tendered Bond held in a book-entry-only system 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 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 any other Adjustable Rate Bond will be paid, in same-day funds, only after presentation and surrender of the Adjustable Rate Bond to the Tender Agent at its Delivery Office. Payment will be made by 2:30 p.m., New York City time, on the Tender Date on which an Adjustable Rate Bond is presented and surrendered to the Tender Agent.

The Purchase Price 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 under the Liquidity Facility then in effect and money furnished by or on behalf of the City (which has no obligation to do so).

No Extinguishment

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

Inadequate Funds for Tender

If the funds available for purchase of Bonds backed by a Standby Purchaser are inadequate for the purchase of all such Bonds tendered on any Tender Date, then all Liquidity Enhanced Bonds so backed shall bear interest from such date at the highest rate provided by law for interest on accrued claims against municipalities as of such date and shall no longer be subject to optional or mandatory tender for purchase (except upon Conversion); and the Tender Agent shall immediately: (i) return all such undefeased Tendered Bonds to the owners thereof; (ii) return all money received for the purchase of such Bonds to the persons providing such money; and (iii) give written notice to all such Bondowners. As long as no Liquidity Condition exists, the obligation to deposit funds in sufficient amounts to purchase such Bonds from either proceeds of the applicable Liquidity Facility or remarketing proceeds shall remain enforceable pursuant to the terms thereof and hereof, and shall only be discharged at such time as funds are deposited with the Tender Agent in an amount sufficient to purchase all such Bonds that were required to be purchased on such Tender Date, together with any interest which has accrued to the subsequent purchase date.

Remarketing of Bonds Upon Tender

Pursuant to the Remarketing Agreements, each 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 or, if such Adjustable Rate Bonds are being remarketed upon their conversion from the Term Rate Mode or the Fixed Rate Mode, such Bonds will be remarketed at a price equal to par. The Certificate and the Remarketing Agreements set forth, among other things, conditions to the Remarketing Agents' obligations to remarket Tendered Bonds.

By 10:30 a.m., New York City time, on each Tender Date, the Remarketing Agent is to give notice by telephone to the Fiscal Agent, the Tender Agent, the Standby Purchaser and the City specifying the principal amount of 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 applicable Liquidity Facility 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 Multi-Modal Bonds shall be deemed to have been defeased, the interest to come due on such Multi-Modal Bonds shall be calculated at the maximum applicable rate; and if, as a result of such Multi-Modal 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 Multi-Modal Bonds exceeds the total amount required, the balance shall be paid to the City. In addition, Multi-Modal 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 Multi-Modal Bonds that could become payable to the Bondholders upon the exercise of any applicable optional or mandatory tender for purchase.

Credit Facilities

For each Subseries of Adjustable Rate Bonds that is not defeased and is subject to optional or mandatory tender for purchase, the City shall, as required by law, keep in effect one or more letter of credit agreements or liquidity facility agreements for the benefit of the Bondholders of such Subseries, which shall require a financially responsible party or parties other than the City to purchase all or any portion of such Adjustable Rate Bonds duly tendered by the holders thereof for repurchase prior to the maturity of such Adjustable Rate Bonds. A financially responsible party or parties, for the purposes of this paragraph, shall mean a person or persons determined by the Mayor and the Comptroller of the City 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. The initial Liquidity Facilities are all Credit Facilities.

Each owner of an Adjustable Rate Bond bearing interest at a Daily, Weekly, Commercial Paper Rate or Term Rate (and not defeased) will be entitled to the benefits and subject to the terms of the Liquidity Facility for such Bond. Subject to the terms of each Liquidity Facility, the Liquidity Provider 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. Each Liquidity Provider's commitments under the Liquidity Facility will be sufficient to pay the Purchase Price of the Adjustable Rate Bonds as follows:

Subseries Bank	Subseries	Credit Facility Scheduled Expiration Date June 30
Bank of America, N.A.	A-2	2006
The Bank of Nova Scotia, acting through its New York Agency	A-4	2006
BNP Paribas, acting through its San Francisco Branch	A-3	2006
HSBC Bank USA	A-5	2006
Landesbank Baden-Württemberg, acting through its New York Branch	A-6	2006

No Subseries Bank is responsible for another Subseries Bank's performance of its obligations under a Liquidity Facility.

Mandatory purchase by a Liquidity Provider of Adjustable Rate Bonds shall occur under the circumstances provided therefor, including, so long as a Credit Facility is in effect, failure to extend or replace the Credit Facility relating to such Subseries of Adjustable Rate Bonds, a failure of the City to make timely provision for interest or principal due on any such Adjustable Rate Bond and (at the option of the Liquidity Provider) other events, including without limitation breaches of covenants, defaults on other bonds of the City or other entities, and events of insolvency. Notwithstanding the other provisions of the Adjustable Rate Bonds and the Certificate, upon the purchase of an Adjustable Rate Bond by a Liquidity Provider, all interest accruing thereon from the last date for which interest was paid shall accrue for the benefit of and be payable to such Liquidity Provider.

If a Liquidity Facility is to be extended or replaced, the City shall, not later than 15 days before the effective date of such extension or replacement, deliver to the Fiscal Agent and the Tender Agent Written Notice of the extension or replacement. The City shall give Written Notice to each affected Bondholder at least 5 days prior to any extension or substitution.

To the extent described in the Liquidity Facilities, if any decrease in the ratings applicable to debt of the Liquidity Provider adversely affects the interest rate payable by the City on any Adjustable Rate Bonds, the City shall have the right to seek a substitute provider or providers to assume the rights and obligations of such Liquidity Provider. The holders of the affected Adjustable Rate Bonds shall be notified of any assumption of a Liquidity Provider's rights and obligations.

The preceding is a summary of certain provisions expected to be included in the initial Liquidity Facilities (all of which are Credit Facilities) and proceedings under which the Multi-Modal Bonds are to be issued as 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 Fiscal Agent. Information regarding Bank of America, N.A., The Bank of Nova Scotia, acting through its New York Agency, BNP Paribas, acting through its San Francisco Branch, HSBC Bank USA, and Landesbank Baden-Württemberg, acting through its New York Branch is included herein as "APPENDIX C—THE BANKS." Neither the City nor the Underwriters make any representation with respect to the information in "APPENDIX C—THE BANKS."

THE BANKS

Bank of America, N.A.

Bank of America, N.A. (the "Bank"), is a national banking association organized under the laws of the United States, and its principal executive offices are located in Charlotte, North Carolina. The Bank is a wholly owned indirect subsidiary of Bank of America Corporation and is engaged in general consumer banking, commercial banking and trust business, offering a wide range of commercial, corporate, international, financial market, retail and fiduciary banking services. As of December 31, 2002, the Bank had consolidated assets of $565 billion, consolidated deposits of $400 billion and stockholder's equity of $51 billion based on regulatory accounting principles.

Bank of America Corporation is a bank holding company registered under the Bank Holding Company Act of 1956, as amended, with its principal executive offices located in Charlotte, North Carolina. Additional information regarding Bank of America Corporation is set forth in its Annual Report on Form 10-K for the fiscal year ended December 31, 2002, together with any subsequent documents it filed with the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Moody's Investors Service, Inc. ("Moody's") currently rates the Bank's long-term certificates of deposit as "Aa1" and short-term certificates of deposit as "P-1". Standard & Poor's Rating Services ("Standard & Poor's") rates the Bank's long-term certificates of deposit as "AA−" and its short-term certificates of deposit as "A-1+". Fitch, Inc. ("Fitch") rates the Bank's long-term certificates of deposit of the Bank as "AA" and short-term certificates of deposit as "F1+." Further information with respect to such ratings may be obtained from Moody's, Standard & Poor's and Fitch, respectively. No assurances can be given that the current ratings of the Bank's instruments will be maintained.

The Bank will provide copies of the most recent Bank of America Corporation Annual Report on Form 10-K, any subsequent reports on Form 10-Q, and any required reports on Form 8-K (in each case as filed with the Commission pursuant to the Exchange Act), and the most recent publicly available portions of the quarterly Call Reports of the Bank delivered to the Comptroller of the Currency, without charge, to each person to whom this document is delivered, on the written request of such person. Written requests should be directed to:

Bank of America Corporate Communications
100 North Tryon Street, 18th Floor
Charlotte, North Carolina 28255
Attention: Corporate Communications

THE FISCAL 2004 SUBSERIES A-2 BONDS ARE NOT DEPOSITS OR OBLIGATIONS OF BANK OF AMERICA CORPORATION OR ANY OF ITS AFFILIATED BANKS AND ARE NOT GUARANTEED BY ANY OF THESE ENTITIES. THE FISCAL 2004 SUBSERIES A-2 BONDS ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY AND ARE SUBJECT TO CERTAIN INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.

The information contained in this Appendix C relating to the Bank has been obtained from the Bank. The information concerning Bank of America Corporation and the Bank contained herein is furnished solely to provide limited introductory information regarding Bank of America Corporation and the Bank and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced above.

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

The Bank of Nova Scotia
Acting Through its New York Agency

The Bank of Nova Scotia ("Scotiabank" or the "Bank"), founded in 1832, is a Canadian chartered bank with its principal office located in Toronto, Ontario. Scotiabank is one of North America's premier financial institutions and Canada's most international bank. With over 49,000 employees, Scotiabank and its affiliates serve over 10 million customers throughout the world.

Scotiabank provides a full range of personal, commercial, corporate and investment banking services through its network of branches located in all Canadian provinces and territories. Outside Canada, Scotiabank has branches and offices in over 50 countries and provides a wide range of banking and related financial services, both directly and through subsidiary and associated banks, trust companies and other financial firms.

For the fiscal year ended October 31, 2002, Scotiabank recorded total assets of CDN$296.3 billion (US$188.7 billion) and total deposits of CDN$195.6 billion (US$124.6 billion). Net income for the fiscal year ended October 31, 2002 equaled CDN$1.797 billion (US$1.145 billion), compared to CDN$2.169 billion (US$1.382 billion) for the prior fiscal year. Amounts above are shown in Canadian dollars and also reflect the United States dollar equivalent as of October 31, 2002 (1.0000 United States dollar equals 1.5700 Canadian dollars).

As of April 30, 2003, Scotiabank recorded total assets of CDN$291.7 billion (US$203.5 billion) and total deposits of CDN$189.2 billion (US$132.0 billion). Net income for the quarter ended April 30, 2003 equaled CDN$596.0 million (US$415.7 million), compared to CDN$598 million (US$417.1 million) for the same period the prior year. Amounts above are shown in Canadian dollars and also reflect the United States dollar equivalent as of April 30, 2003 (1.0000 United States dollar equals 1.4336 Canadian dollars).

Scotiabank will provide to anyone, upon written request, a copy of its most recent annual report, as well as a copy of its most recent quarterly financial report. Requests should be directed to: The Bank of Nova Scotia, New York Agency, One Liberty Plaza, 26th Floor, New York, NY, 10006. Attention: Public Finance Department.

The information contained in this Appendix C relating to the Bank has been obtained from the Bank. The information concerning the Bank contained herein is furnished solely to provide limited introductory information regarding the Bank and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced above.

The delivery hereof 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 C is correct as of any time subsequent to its date.

BNP Paribas
Acting Through its San Francisco Branch

The BNP Paribas group (the "BNP Paribas Group") is France's largest listed banking group in terms of market capitalization. The BNP Paribas Group has offices in more than 85 countries and at December 31, 2002, the BNP Paribas Group had consolidated assets in excess of EUR 710 billion, consolidated gross total customer items in excess of EUR 235 billion, consolidated customer deposits (including retail and negotiable certificates of deposit) of EUR 267 billion and stockholders' equity (group share including income for the year 2002) of EUR 26.4 billion. Net income group share for the year ended December 31, 2002 was of EUR 3.3 billion.

BNP Paribas has long-term senior debt ratings of "Aa2" with stable outlook from Moody's, "AA–" with stable outlook from Standard & Poor's and "AA" with stable outlook from Fitch. Moody's has also assigned BNP Paribas a Bank Financial Strength rating of "B+" and Fitch has assigned BNP Paribas an individual rating of "B."

The information contained in this Appendix C relating to BNP Paribas Group has been obtained from BNP Paribas. The information concerning the BNP Paribas Group contained herein is furnished solely to provide limited introductory information regarding the BNP Paribas Group and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced above.

The delivery of the information contained in this Appendix C shall not create any implication that there has been no change in the affairs of the BNP Paribas Group since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

Additional information relating to BNP Paribas (including periods subsequent to that specified above) and annual statement of condition, is on file at the offices of BNP Paribas and may be obtained by contacting the Corporate Communications Department at BNP Paribas, New York Branch located at 787 Seventh Avenue, New York, New York 10019, telephone (212) 841-2000 or at www.bnpparibas.com.

HSBC Bank USA

HSBC Bank USA (formerly known as Marine Midland Bank) ("HSBC"), a bank organized under the laws of the State of New York, is a wholly owned subsidiary of HSBC USA Inc., a New York based bank holding company. HSBC Holdings plc is the ultimate holding company of a global banking group with principal executive offices in London, and indirectly owns 100% of the outstanding common stock of HSBC USA, Inc., HSBC Bank plc (formerly Midland Bank plc) and The Hongkong and Shanghai Banking Corporation Limited.

HSBC is engaged in general commercial banking and trust business offering a full range of consumer, commercial, corporate, capital markets and fiduciary banking services to corporations, institutions, governments and individuals. HSBC, together with its subsidiaries, had, as of December 31, 2002, total assets of $86.4 billion, total deposits of $60.2 billion, total loans (net of loan loss reserve) of $43.0 billion, and total shareholder equity of approximately $7.3 billion.

Upon written request, HSBC will provide without charge to any person to whom this Official Statement is delivered, a copy of the most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q of HSBC, filed with the Securities and Exchange Commission. Written requests should be directed to HSBC, 452 Fifth Avenue, New York, NY 10018, Attention: Group Public Affairs.

The information contained in this Appendix C relating to HSBC has been obtained from HSBC. The information concerning HSBC contained herein is furnished solely to provide limited introductory information regarding HSBC and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced above.

The delivery hereof shall not create any implication that there has been no change in the affairs of HSBC since the date hereof, or that the information contained or referred to in this Appendix C is correct as of any time subsequent to its date.

Landesbank Baden-Württemberg
Acting Through its New York Branch

Description of Landesbank Baden-Württemberg ("LBBW")

Landesbank Baden Württemberg ("LBBW") is a public law institution (*rechtsfähige Anstalt des öffenlichten Rechts*) owned and controlled jointly by the State of Baden-Württemberg ("Baden-Württemberg") the Savings Banks Association of Baden-Württemberg (*Sparkassenverband Baden-Württemberg*, the "Association") and the City of Stuttgart ("Stuttgart"; collectively with Baden-Württemberg and Association the "Guarantors"). LBBW carries on the functions of its three legal predecessors, Südwestdeutsche Landesbank Girozentrale, Landesgirokasse öffentliche Bank und Lanessparkasse and Landeskreditbank Baden-Württemberg Marktteil, which merged to form LBBW by virtue of the Landesbank Baden-Württemberg Act (*Gesetz über die Landesbank Baden-Württemberg*) ("LBBW Act"), effective 1 January 1999; pursuant to the Landeskreditbank Baden-Württemberg - Förderbank Act (*Gesetz über die Landeskreditbank Baden-Württemberg-Förderbank*), the state development business (Förderteil) of Landeskreditbank Baden-Württemberg was separated from the commercial banking business (Marktteil) of Landeskreditbank Baden-Württemberg with effect from 1 December 1998 and transferred as of that date to the newly created Landeskreditbank Baden-Württemberg Förderbank.

Among the establishing public entities and institutions, Baden-Württemberg and the predecessors of the Association have both contributed 39.5% of LBBW's endowment capital and Stuttgart has contributed 21% of LBBW's endowment capital. The LBBW-Act authorizes LBBW to engage in all types of banking and financial service activities as well as in all other activities that are useful to LBBW. LBBW is authorized to issue mortgage-backed bonds (*Pfandbriefe*), public debt backed bonds (*Kommunalobligationen*) and other debt obligations. LBBW is a universal bank and an international commercial bank. It is both a retail and a wholesale bank and the central banking institution of the savings banks in Baden-Württemberg. In this regard, it conducts its activities with due consideration of the interests of the Savings Banks. LBBW furthermore performs the duties of a savings bank in the territory of Stuttgart.

As a German "universal bank" LBBW provides a comprehensive range of commercial banking and investment banking services to businesses, other banking institutions, governmental entities, counties, municipalities, other organizations and individuals. LBBW makes loans, extends guaranties, underwrites, deals and trades in debt and equity securities, and makes equity investments. LBBW underwrites and trades in, and acts as paying agent and fiscal agent wih respect to, Baden-Württemberg government debt securities.

LBBW is the principal banker of Baden-Württemberg and Stuttgart. The combination of these manifold functions makes LBBW a special credit institution in Germany's banking community.

With a balance sheet total of €300 billion at Group level (as of December 31, 2001), LBBW numbers among the ten largest German banks and among the 50 largest credit institutions worldwide.

Liability for the Obligations of Landesbank Baden-Württemberg

General

The solvency and the obligations of Landesbank Baden-Württemberg ("LBBW") are currently, by virtue of the maintenance obligation (*Anstaltslast*) (the "Maintenance Obligation") and the guarantee obligation (*Gewährträgerhaftung*) (the "Guarantee Obligation"), jointly and severally backed by the State of Baden-Württemberg, the Savings Banks Association of Baden-Württemberg and the City of Stuttgart (together, the "Guarantors"). Under the Maintenance Obligation, the Guarantors are jointly and severally responsible to maintain LBBW's economic viability and to keep it in a position to perform its functions at any time and to enable it to fulfill its obligations when due. In addition, under the Guarantee Obligation, the Guarantors are jointly and severally directly liable to all creditors of LBBW for all obligations of LBBW if and to the extent creditors have not been satisfied out of the assets of LBBW.

Result of Settlement Discussions with the European Commission

On 8 May 2001 the Commission of the European Communities (the "Commission") took a decision proposing to the Federal Republic of Germany (the "Federal Republic") the appropriate measures it should take in order to make the guarantee system of Maintenance Obligation and Guarantee Obligation compatible with the state aid rules of the Treaty Establishing the European Community (the "EC Treaty"). On 17 July 2001 the Commission reached an understanding with the Federal Republic on the future application of Maintenance Obligation and Guarantee Obligation in conformity with the decision of 8 May 2001 (the "Understanding"). Following further discussions between the Federal Republic and the Commission, on 28 February 2002 the Commission and the Federal Republic reached conclusions which spelled out the key measures for implementing the Understanding (the "Conclusions").

The Understanding and the Conclusions were transformed by the Commission into a new proposal of appropriate measures which was submitted to the Federal Republic on 27 March 2002. The Federal Republic accepted the proposal on 11 April 2002. The accepted proposal provides, inter alia, for the following:

— The Guarantee Obligation will be abolished.

— The Maintenance Obligation will be replaced in accordance with the principles set forth in the Understanding which means, in particular, that (i) the financial relationship between the Landesbanks and their respective public owners shall be no different from a normal commercial relationship governed by market economy principles and (ii) the Landesbanks shall be subject to the same insolvency rules as private credit institutions.

— The German authorities have undertaken to assure that all proposals for the legal measures necessary for the implementation on federal and state level will be submitted to the respective legislative bodies by 31 March 2002 at the latest (in special cases by 31 May 2002 at the latest) and will be adopted by 31 December 2002 at the latest.

— Liabilities existing at 18 July 2001 will continue to be covered by Guarantee Obligation until their maturity runs out. There will be a transitional period which will last until 18 July 2005 and during which Maintenance Obligation and Guarantee Obligation can be maintained in their present form. As of the final date of this transitional period any liability existing by then and traded after 18 July 2001 will continue to be covered by Guarantee Obligation under the condition that its maturity does not go beyond 31 December 2015.

— The owners will immediately honor their obligations from Guarantee Obligation vis-à-vis the creditors of liabilities agreed until 18 July 2005 as soon as they have stated, when these liabilities come due, in due manner and in writing that the creditors of these liabilities cannot be satisfied out of the assets of the institution.

The procedure described in the last paragraph above does not require a notification in accordance with European Union state aid law. It provides the opportunity to honor liabilities immediately upon their maturity once the owners have completed the procedure described above.

Implementing legislation of the State of Baden-Württemberg

The State of Baden-Württemberg will amend the Landesbank Baden-Württemberg Act (*Gesetz über die Landesbank Baden-Württemberg*) by 31 December 2002 so that it complies with the changes to the guarantee mechanisms agreed by the Federal Republic and the Commission. The appropriate legislative measures have been initiated on the basis of a draft bill resolved by the cabinet on 19 March 2002.

The information contained in this Appendix C relating to LBBW has been obtained from LBBW. The information concerning LBBW contained herein is furnished solely to provide limited introductory information regarding LBBW and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced above.

The delivery hereof shall not create any implication that there has been no change in the affairs of LBBW since the date hereof, or that the information contained or referred to in this Appendix C is correct as of any time subsequent to its date.

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July 14, 2003

HONORABLE WILLIAM C. THOMPSON, JR.
COMPTROLLER
The City of New York
Municipal Building
New York, New York 10007

Dear Comptroller Thompson:

We have acted as counsel to The City of New York (the "City"), a municipal corporation of the State of New York (the "State"), in the issuance of its General Obligation Bonds, Fiscal 2004 Series A (the "Series A Bonds") and Fiscal 2004 Series B (the "Series B Bonds" and, with the Series A Bonds, the "Bonds").

The Bonds are issued pursuant to the provisions of the Constitution of the State, the Local Finance Law of the State, and the Charter of the City, and in accordance with a certificate of the Deputy Comptroller for Public Finance and related proceedings (the "Certificate").

Based on our examination of existing law, such legal proceedings and such other documents as we deem necessary to render this opinion, we are of the opinion that:

1. The Bonds have been duly authorized, executed and issued in accordance with the Constitution and statutes of the State and the Charter of the City and constitute valid and legally binding obligations of the City for the payment of which the City has validly pledged its faith and credit, and all real property within the City subject to taxation by the City is subject to the levy by the City of *ad valorem* taxes, without limit as to rate or amount, for payment of the principal of and interest on the Bonds.

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

3. Except as provided in the following sentence, interest on the Series A Bonds and the Series B Bonds bearing interest at rates of 2%, 3%, 4% and 5% (the "Tax-Exempt Bonds") is not includable in the gross income of the owners of the Tax-Exempt Bonds for purposes of federal income taxation under existing law. Interest on the Tax-Exempt Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of the Bonds in the event of a failure by the City to comply with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and the covenants regarding use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the United States Treasury; and we render no opinion as to the exclusion from gross income of interest on the Tax-Exempt Bonds for federal income tax purposes on or after the date on which any action is taken under the Certificate upon the approval of counsel other than ourselves.

4. Interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum tax. The Code contains other provisions that could result in tax consequences, upon which we render no opinion, as a result of ownership of such Bonds or the inclusion in certain computations (including without limitation those related to the corporate alternative minimum tax) of interest that is excluded from gross income.

5. The excess, if any, of the amount payable at maturity of any maturity of the Tax-Exempt Bonds over the initial offering price of such Bonds to the public at which price a substantial amount of such maturity is sold represents original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Tax-Exempt Bonds. The Code further provides that such original issue discount excluded as interest accrues in accordance with a constant interest method based on the compounding of interest, and that a holder's adjusted basis for purposes of determining a holder's gain or loss on disposition of Tax-Exempt Bonds with original issue discount will be increased by the amount of such accrued interest.

The rights of the owners 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 the enforcement of related contractual and statutory covenants of the City and the State 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.

Very truly yours,