

**Notice of Correction dated October 10, 2013  
to the Official Statement dated  
October 9, 2013**

**Relating to**

**\$400,000,000**

**The City of New York**

**General Obligation Bonds, Fiscal 2014 Series D  
Subseries D-3, D-4 and D-5**

**ADJUSTABLE RATE BONDS**

The correct CUSIP number for the Subseries D-3 Bonds in the above-referenced official statement is 64966LCJ8.

**NEW ISSUE**

In the opinion of Fulbright & Jaworski LLP, Bond Counsel to the City for Tax Matters, 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 be excludable from the gross income of the owners thereof for federal income tax purposes. See “SECTION III: MISCELLANEOUS—Tax Matters” for further information.

**\$400,000,000**

**The City of New York**

**General Obligation Bonds, Fiscal 2014 Series D  
Subseries D-3, D-4 and D-5**

**ADJUSTABLE RATE BONDS**

Dated: Date of Delivery

Due: August 1, as shown on the inside cover page

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 Bonds of a Subseries are subject to redemption and to optional and mandatory tender under the circumstances described herein. Payment of the Purchase Price on the Bonds tendered for purchase as described herein and not remarketed will be made pursuant and subject to the terms of the Liquidity Facility described herein provided by JPMorgan Chase Bank, National Association, and the respective Credit Facilities described herein issued separately by TD Bank, N.A. and PNC Bank, National Association (collectively the “Banks”), each such Credit Facility or Liquidity Facility being a separate obligation of the respective Bank supporting the related Subseries as shown on the inside cover page hereof. The obligation of the provider of the Liquidity Facility to purchase tendered Bonds of a Subseries pursuant to the terms of the Liquidity Facility can be terminated under certain circumstances as described herein. See “SECTION II: THE BONDS—Liquidity Facility.” In the event of a failure to remarket the Bonds of a Subseries and a failure by the applicable Bank to purchase such Bonds, the City may, but is not obligated to, purchase such Bonds. Upon any such failure, such Bonds, if not purchased by the City, will continue to be held by the tendering holders and will bear interest at the Maximum Rate.

The Bonds of each Subseries will be issued 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 are described herein.

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 LLP, New York, New York, Bond Counsel to the City, and to certain other conditions. Certain legal matters will be passed upon for the City by Fulbright & Jaworski LLP, a member of Norton Rose Fulbright, New York, New York, Bond Counsel to the City for Tax Matters. Certain legal matters in connection with the preparation of this Official Statement will be passed upon for the City by Orrick, Herrington & Sutcliffe LLP, New York, New York, Special Disclosure Counsel to the City. Certain legal matters will be passed upon for the Underwriters by Squire Sanders (US) LLP, New York, New York, and D. Seaton and Associates, New York, New York, Co-Counsel to the Underwriters. It is expected that the Bonds will be available for delivery in New York, New York, on or about October 16, 2013.

**J.P. Morgan**  
(Underwriter and Remarketing Agent for  
Subseries D-3 Bonds)

**TD Securities**  
(Underwriter and Remarketing Agent for  
Subseries D-4 Bonds)

**PNC Capital Markets LLC**  
(Underwriter and Remarketing Agent for  
Subseries D-5 Bonds)

October 9, 2013

**\$400,000,000 General Obligation Bonds, Fiscal 2014 Series D  
Subseries D-3, D-4 and D-5**

**Adjustable Rate Term Bonds  
Price: 100%**

<b>\$225,000,000 Subseries D-3</b>	<b>\$100,000,000 Subseries D-4</b>
Maturity Date: August 1, 2038	Maturity Date: August 1, 2040
Rate Mode at Delivery Date: Daily	Rate Mode at Delivery Date: Daily
First Interest Payment Date: November 1, 2013	First Interest Payment Date: November 1, 2013
Liquidity Facility Provider: JPMorgan Chase Bank, National Association	Credit Facility Provider: TD Bank, N.A.
Scheduled Expiration Date: October 14, 2016	Scheduled Expiration Date: October 16, 2018
Remarketing Agent: J.P. Morgan Securities LLC	Remarketing Agent: TD Securities
CUSIP Number <sup>(1)</sup> : 64966KLCJ8	CUSIP Number <sup>(1)</sup> : 64966LCP4
<hr/>	
<b>\$75,000,000 Subseries D-5</b>	
Maturity Date: August 1, 2041	
Rate Mode at Delivery Date: Daily	
First Interest Payment Date: November 1, 2013	
Credit Facility Provider: PNC Bank, National Association	
Scheduled Expiration Date: October 14, 2016	
Remarketing Agent: PNC Capital Markets LLC	
CUSIP Number <sup>(1)</sup> : 64966LCN9	

<sup>(1)</sup> Copyright, American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the City makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific Subseries is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such Subseries or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

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 includes by specific 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 specific reference in this Official Statement of such forecasts, projections and estimates should not be regarded as a representation by the City, its independent auditors or the Underwriters that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results. If and when included by specific 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 included 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.

Deloitte & Touche LLP, the City’s independent auditor, has not reviewed, commented on or approved, and is not associated with, this Official Statement. The report of Deloitte & Touche LLP relating to the City’s financial statements for the fiscal years ended June 30, 2012 and 2011, which is a matter of public record, is included in this Official Statement. However, Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of the City, including without limitation any of the information contained in this Official Statement, since the date of such report and has not been asked to consent to the inclusion of its report in this Official Statement.

**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.**

**RATE PERIOD TABLE  
FOR ADJUSTABLE RATE BONDS**

	<b>Daily Rate</b>	<b>Two-Day Rate</b>	<b>Weekly Rate</b>	<b>Commercial Paper Rate</b>
Interest Payment Date	First Business Day of each calendar month	First Business Day of each calendar month	First Business Day of each calendar month	First Business Day of each calendar month and the Business Day following the last day of the Rate Period
Record Date	Business Day preceding each Interest Payment Date	Business Day preceding each Interest Payment Date	Business Day preceding each Interest Payment Date	Business Day preceding each Interest Payment Date
Reset Date	Not later than 10:00 a.m. on each Business Day	Not later than 10:00 a.m. on the first day of the Rate Period and, thereafter, on each Monday, Wednesday and Friday that is a Business Day	Not later than 4:00 p.m. on the Business Day preceding the first day of the Rate Period	No later than 12:30 p.m. on the first day of each Commercial Paper Rate Period
Rate Periods	Commencing on one Business Day extending to, but not including, the next succeeding Business Day	Commencing on a Monday, Wednesday or Friday that is a Business Day and extending to, but not including, the next day on which a Two-Day Rate is required to be reset	The Rate Period will be a period of seven days beginning on the day of the week specified therefor	A period of 1 to 365 days
Notice Period for Optional Tenders	Written notice not later than 10:30 a.m. on the Optional Tender Date	Written notice by 3:00 p.m. on a Business Day not less than two Business Days prior to the Optional Tender Date	Written notice by 5:00 p.m. on a Business Day not less than seven days prior to the Optional Tender Date	Not subject to optional tender
Optional Tender Date and Time (after Initial Period)	On any Business Day not later than 1:00 p.m.	On any Business Day not later than 1:00 p.m.	On any Business Day not later than 1:00 p.m.	Not subject to optional tender
Payment Date for Bonds subject to optional tender	Not later than 3:00 p.m. on the Optional Tender Date	Not later than 3:00 p.m. on the Optional Tender Date	Not later than 3:00 p.m. on the Optional Tender Date	Not subject to optional tender
Payment Date for Tendered Bonds upon Mandatory Tender	Not later than 3:00 p.m. on the Mandatory Tender Date	Not later than 3:00 p.m. on the Mandatory Tender Date	Not later than 3:00 p.m. on the Mandatory Tender Date	Not later than 3:00 p.m. on the Mandatory Tender Date

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

The information in this Rate Period Table is provided for the convenience of the Bondholders and is not meant to be comprehensive. See "APPENDIX B—MULTI-MODAL BONDS" for a description of the Adjustable Rate Bonds.

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

**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 City’s General Obligation Bonds, Fiscal 2014 Series D, Subseries D-3, D-4 and D-5 (the “Adjustable Rate Bonds” or the “Bonds”), consisting of \$225,000,000 tax-exempt bonds, Subseries D-3 (the “Subseries D-3 Bonds”), \$100,000,000 tax-exempt bonds, Subseries D-4 (the “Subseries D-4 Bonds”) and \$75,000,000 tax-exempt bonds, Subseries D-5 (the “Subseries D-5 Bonds”). In addition to the Adjustable Rate Bonds, \$841,920,000 of the City’s tax-exempt General Obligation Bonds, Fiscal 2014 Series D, Subseries D-1, Subseries D-2, Series E and Series F (collectively, the “Fixed Rate Bonds”), will be issued as fixed rate bonds and described in a separate official statement. The Fixed Rate Bonds are not offered hereby. The delivery of the Adjustable Rate Bonds is contingent upon the delivery of the Fiscal 2014 Series D, Subseries D-1 and Subseries D-2 Bonds.

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 and interest on the Bonds.

The factors affecting the City’s financial condition described throughout this Official Statement, including information included by specific reference as described below, are complex and are not intended to be summarized in this Introductory Statement. The economic and financial condition of the City may be affected by various financial, social, economic, geo-political, environmental and other factors which could have a material effect on the City. This Official Statement (including the information referred to in “SECTION I: INCLUSION BY SPECIFIC REFERENCE”) should be read in its entirety.

Neither this Official Statement nor any statement which may have been made orally or in writing shall be construed as a contract or as a part of a contract with the original purchaser or any holders of the Bonds.

**SECTION I: INCLUSION BY SPECIFIC REFERENCE**

Portions of the City’s Official Statement dated September 27, 2013, as supplemented October 9, 2013 (the “Fixed Rate Official Statement”), 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 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
  - Environmental Regulation
  - Continuing Disclosure Undertaking (except that any reference therein to “Bonds” or “Bondholders” will be deemed to be a reference to Bonds and Bondholders as used in this Official Statement)
  - Financial Statements
  - Further Information (excluding the last paragraph thereof)
- APPENDIX A—ECONOMIC AND DEMOGRAPHIC INFORMATION
- APPENDIX B—FINANCIAL STATEMENTS
- APPENDIX E—VARIABLE RATE DEMAND BONDS

The Fixed Rate Bonds described in the Fixed Rate 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, redemption premium, if any, 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 additional terms of the Bonds not included in this SECTION II see the cover page, the inside cover page, “APPENDIX A—DEFINITIONS” and “APPENDIX B—MULTI-MODAL BONDS.” All or a portion of the Bonds of a Subseries may be converted to other Rate Modes as described in “APPENDIX B—MULTI-MODAL BONDS—Conversion to an Alternate Rate Mode.” Any such conversion would result in a mandatory tender of the Bonds being so converted. This Official Statement only describes the Bonds bearing interest at a Daily Rate, Two-Day Rate, Weekly Rate or Commercial Paper Rate. The initial Liquidity Facility and initial Credit Facilities do not cover the Bonds bearing interest at a Commercial Paper Rate. Under the Certificate, it is a condition to conversion to the Commercial Paper Rate Mode that the City provide a liquidity facility covering the Bonds in such Mode. It is currently anticipated that, should any Bonds be converted to a Term Rate, Fixed Rate, Stepped Coupon Rate, Index Rate or Auction Rate, a remarketing circular will be distributed describing such Term Rate, Fixed Rate, Stepped Coupon Rate, Index Rate or Auction Rate.

### 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 “Certain Covenants and Agreements below”). 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, 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. For information regarding the termination date of the Act, see “SECTION III: GOVERNMENT AND FINANCIAL CONTROLS—City Financial Management, Budgeting and Controls—*Financial Emergency Act and City Charter*” included by specific reference herein.

The Subseries D-4 and Subseries D-5 Bonds are subject to mandatory tender for purchase by the applicable Credit Facility Provider upon a failure by the City to pay principal of or interest on such Subseries of Bonds when due.



## **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 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 further covenant in the Bonds to provide a general reserve for each fiscal year to cover potential reductions in its projected revenues or increases in its projected expenditures during each such fiscal year, to comply with the financial reporting requirements of the Act, as in effect from time to time, to limit its issuance of bond anticipation notes as required by the Act, as in effect from time to time, to include as terms of the Adjustable Rate Bonds the applicable variable rate provisions and to comply with such provisions and with the statutory restrictions on variable rate bonds in effect from time to time.

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"). In the opinion of Bond Counsel, the enforceability of the City Covenants 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 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 for capital purposes and payment of the expenses of the City incurred in connection with the issuance and sale of the Bonds.



## **Credit Facilities**

Each of the Credit Facility Providers listed on the inside cover page has agreed to provide a Credit Facility in the form of an irrevocable letter of credit with respect to the Subseries D-4 Bonds and Subseries D-5 Bonds as designated on the inside cover page hereof. Each such Credit Facility provides coverage for the principal of the applicable Subseries of tendered Bonds and up to 35 days accrued interest on such Subseries of Bonds at a maximum interest rate of 9%. Each Subseries of Bonds secured by a Credit Facility is subject to mandatory tender upon a failure by the City to pay principal or interest on such Subseries of Bonds when due. The scheduled expiration date for each Credit Facility is listed on the inside cover page hereof. For a description of certain provisions of the Credit Facilities to be provided by the Credit Facility Providers, see “APPENDIX B—MULTI-MODAL BONDS.” The form of each Letter of Credit issued pursuant to the respective Credit Facility is attached hereto as “APPENDIX F—THE CREDIT FACILITIES.” For information regarding the Credit Facility Providers, see “APPENDIX E—THE BANKS.”

## **Liquidity Facility**

JPMorgan Chase Bank, National Association (the “Liquidity Provider”) has agreed to provide the Liquidity Facility effective October 16, 2013 in the form of a standby bond purchase agreement with respect to the Subseries D-3 Bonds. The following summary of the Liquidity Facility does not purport to be comprehensive or definitive and is subject in all respects to all of the terms and provisions of the Liquidity Facility, to which reference is made hereby. Investors are urged to obtain and review a copy of the Liquidity Facility in order to understand all of its terms. Copies of the Liquidity Facility will be available on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System ([www.emma.msrb.org](http://www.emma.msrb.org)) or may be obtained from the Remarketing Agent for the Subseries D-3 Bonds. For information regarding the Liquidity Provider, see “APPENDIX E—THE BANKS—JPMorgan Chase Bank, National Association.”

*General.* The Liquidity Facility provides coverage for the principal of tendered Subseries D-3 Bonds and up to 35 days accrued interest on such Subseries D-3 Bonds at a maximum interest rate of 9% based upon a year of 365 days. The scheduled expiration date for the Liquidity Facility is October 14, 2016. The Liquidity Facility supports only the payment of the purchase price of the Subseries D-3 Bonds bearing interest at a Daily Rate, Two-Day Rate or Weekly Rate optionally tendered for purchase as described below (other than in connection with a mandatory tender of the Subseries D-3 Bonds on an optional redemption date as described under “APPENDIX B—MULTI-MODAL BONDS—Mandatory Tender for Purchase”), and does not otherwise support the payment of the principal of or interest on the Subseries D-3 Bonds. The Liquidity Facility is subject to termination, in some events with notice and in some events immediately without notice, as described below.

The Liquidity Facility contains various provisions, covenants and conditions, certain of which are summarized below. Capitalized terms used in the following summary are defined in this Official Statement (except those definitions included herein by specific reference, as described under “SECTION I: INCLUSION BY SPECIFIC REFERENCE”) or the Liquidity Facility and reference thereto is made for a full understanding of their import.

On the date of issuance of the Subseries D-3 Bonds, the City will enter into the Liquidity Facility with the Liquidity Provider. Upon compliance with the terms and conditions of the Liquidity Facility, and subject to the terms and conditions set forth therein, the Liquidity Facility requires the Liquidity Provider to purchase tendered Subseries D-3 Bonds from time to time during the Purchase Period (as hereinafter defined) at the Purchase Price (as defined in the Liquidity Facility). Tendered Subseries D-3 Bonds which are purchased and held by the Liquidity Provider will bear interest at the Purchased Bonds Rate (as defined in the Liquidity Facility) commencing on and including the date on which the Liquidity Provider has purchased such Purchased Bonds, in accordance with the terms of the Liquidity Facility.

The Purchase Period is the period from the effective date of the Liquidity Facility to and including the earliest of (i) October 14, 2016 (or such later date to which the Liquidity Facility is extended at the sole discretion of the Liquidity Provider) (or, if such date is not a Business Day (as defined in the Liquidity Facility), the Business Day immediately preceding such date), (ii) the date of delivery of a substitute liquidity facility in accordance with the provisions of the Liquidity Facility and of the Certificate, so long as the Liquidity Provider has honored any purchase of Subseries D-3 Bonds resulting solely from such substitution, (iii) the date on which

all Subseries D-3 Bonds have been paid in full (not including a defeasance in which such Subseries D-3 Bonds continue to be subject to optional or mandatory tender for purchase), redeemed, or converted to a Rate Mode other than the Daily Rate Mode, Two-Day Mode or Weekly Rate Mode in accordance with the terms of such Subseries D-3 Bonds (the Purchase Period to include the date of such conversion), and so long as, with respect to a conversion to a rate other than the Daily Rate, the Two-Day Rate or the Weekly Rate, the Liquidity Provider has honored any purchase of Subseries D-3 Bonds resulting solely from such conversion, and (iv) the date on which the Available Commitment (as defined in the Liquidity Facility) with respect to the Subseries D-3 Bonds is terminated pursuant to the terms of the Liquidity Facility.

*Events of Default Under the Liquidity Facility.* Upon the occurrence of any event (each an “Event of Default”) set forth under the subheadings below entitled “*Events of Default Resulting in Immediate Termination Under the Liquidity Facility*” and “*Events of Default Resulting in Mandatory Tender of the Subseries D-3 Bonds and Termination of the Liquidity Facility Following Notice,*” the Liquidity Provider may exercise those rights and remedies provided under such subheading and the subheading “*Remedies Under the Liquidity Facility*” below.

*Events of Default Resulting in Immediate Termination Under the Liquidity Facility.* Upon the occurrence of any of the following events, the Available Commitment and the obligation of the Liquidity Provider under the Liquidity Facility to purchase Subseries D-3 Bonds shall immediately terminate without notice or demand to any person and thereafter the Liquidity Provider shall be under no obligation to purchase such Subseries D-3 Bonds:

(a) (i) the City shall fail to pay when due any principal of or premium, if any, or interest on the Subseries D-3 Bonds (regardless of any waiver thereof by the holders of the Subseries D-3 Bonds), or (ii) any default by the City shall have occurred and be continuing in the payment of principal of or premium, if any, or interest on any bond, note or other similar evidence of indebtedness issued or assumed by the City that is on a parity with the Subseries D-3 Bonds;

(b) the City shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due or shall become insolvent within the meaning of Section 101(32) of the Bankruptcy Code, or shall declare a moratorium on repayment when due and payable of the principal of or interest on the Subseries D-3 Bonds or on any bond, note or other similar evidence of indebtedness issued or assumed by the City that is on a parity with the Subseries D-3 Bonds, or shall take any action to authorize any of the foregoing;

(c) each of Moody’s, S&P and Fitch shall (i) assign a rating to any general obligation indebtedness of the City below “Baa3,” “BBB-” and “BBB-,” respectively or (ii) withdraw or suspend any such rating for a credit-related reason;

(d) the State or any other governmental authority having jurisdiction over the City imposes a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on repayment when due and payable of the principal of or interest on the Subseries D-3 Bonds;

(e) (i) a final, non-appealable judgment shall be issued by a court of competent jurisdiction that the Subseries D-3 Bonds or any provision of the Liquidity Facility or of the Certificate relating to the payment of principal of or interest on the Subseries D-3 Bonds shall cease for any reason to be valid and binding, or (ii) the City shall initiate legal proceedings or assert in legal proceedings that the Subseries D-3 Bonds or any material provision of the Liquidity Facility or of the Certificate relating to the payment of principal of or interest on the Subseries D-3 Bonds is invalid or that the City has no liability thereon; and

(f) one or more final, non-appealable money judgments shall be entered by a court or other regulatory body of competent jurisdiction against the City in an individual, or aggregate, amount of fifty million dollars (\$50,000,000) or more and the City shall have failed to satisfy said money judgment(s) within ninety (90)

days from the first date when said judgment(s) shall become enforceable and subject to collection in accordance with its or their respective terms.

*Events of Default Resulting in Mandatory Tender of the Subseries D-3 Bonds and Termination of the Liquidity Facility Following Notice.* In the case of an Event of Default as specified in (a) or (b) below (but only if such Event of Default continues for at least five Business Days after notice thereof is given to the City by the Liquidity Provider), the Liquidity Provider, in its sole discretion, may (x) give written notice (a “Notice of Default”) of such Event of Default to the applicable Remarketing Agent or Remarketing Agents and to the Fiscal Agent and the Tender Agent requesting a mandatory tender of all or any portion of the Subseries D-3 Bonds pursuant to the Certificate and stating that the obligation of the Liquidity Provider to purchase such Subseries D-3 Bonds shall terminate 15 days after such notice is received by the Tender Agent and on such date the Available Commitment shall terminate and the Liquidity Provider shall be under no obligation to purchase such Subseries D-3 Bonds after such date or (y) give a written notice (a “Conversion Notice”) to the City directing the City to convert to a rate other than the Daily Rate, Two-Day Rate or Weekly Rate all or any portion of the Subseries D-3 Bonds. Upon conversion to a rate other than the Daily Rate, Two-Day Rate or Weekly Rate, the Liquidity Provider will purchase Subseries D-3 Bonds so converted and not remarketed.

(a) The City shall fail to pay when due any fees owing to the Liquidity Provider under the terms of the Liquidity Facility and such failure shall continue for seven days; provided, however, that no such failure to pay shall constitute an Event of Default if (A) such failure to pay was caused solely by an error or omission of an administrative or operational nature, (B) funds were available to enable the City to make such payment when due and (C) such payment is made within two Business Days after the City’s actual knowledge of such failure to pay; or

(b) The City shall fail to observe certain covenants contained in the Liquidity Facility.

*Remedies Under the Liquidity Facility.* Upon the occurrence of any Event of Default, the Liquidity Provider may deliver a notice (a “Default Rate Notice”) to the City for purposes of increasing the Purchased Bonds Rate payable on the Subseries D-3 Bonds or take any other actions permitted by applicable law. The Liquidity Provider may, at any time, in its discretion, revoke a Default Rate Notice by written notice to the City. Upon any such revocation of a Default Rate Notice or upon cure of an Event of Default pursuant to which a Default Rate Notice was delivered, such Default Rate Notice shall be deemed no longer to be in effect. The Liquidity Provider shall not have the right to declare any amount due and payable under the Liquidity Facility or to accelerate the maturity date of any Subseries D-3 Bonds.

In the case of an Event of Default as specified above under “*Events of Default Resulting in Immediate Termination Under the Liquidity Facility*” (each, an “Event of Termination”), the Available Commitment with respect to the Subseries D-3 Bonds and the obligation of the Liquidity Provider under the Liquidity Facility to purchase Subseries D-3 Bonds shall immediately terminate without notice or demand to any Person, and thereafter the Liquidity Provider shall be under no obligation to purchase such Subseries D-3 Bonds. Promptly upon the occurrence of such Event of Termination, the Liquidity Provider shall give written notice of the same to the City, the Tender Agent, the Fiscal Agent and the Remarketing Agent; but the Liquidity Provider shall incur no liability or responsibility by reason of its failure to give such notice and such failure shall in no way affect the termination of the Available Commitment with respect to the Subseries D-3 Bonds and its obligation to purchase such Subseries D-3 Bonds pursuant to the Liquidity Facility.

### **Optional Redemption**

Each Subseries of Bonds is subject to redemption (or purchase in lieu thereof if permitted by the Certificate) prior to maturity, at a redemption price equal to the principal amount thereof, plus accrued interest, without premium, at the option of the City, in whole or in part, on any Optional Redemption Date, which, for Bonds in the Daily Rate Mode, Two-Day Rate Mode or the Weekly Rate Mode is any Business Day, upon 30 days’ written notice to Bondholders.

The City may select Subseries, Rate Modes and amounts of Bonds for optional redemption in its sole discretion. In the event that less than all the Bonds of a Subseries, Rate Mode and maturity subject to redemption are to be redeemed, the Bonds shall be selected for redemption as prescribed by the Certificate.

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’ (but not more than 60 days’) notice to Bondholders, by lot within each stated maturity, on each August 1 (or other Mandatory Redemption Date specified for the applicable Rate Mode) at a redemption price equal to the principal amount thereof, plus accrued interest, without premium, in the amounts set forth below:

<u>Subseries D-3</u>		<u>Subseries D-4</u>	
<u>August 1</u>	<u>Amount</u>	<u>August 1</u>	<u>Amount</u>
2032 .....	\$20,305,000	2038 .....	\$25,505,000
2033 .....	20,330,000	2039 .....	47,720,000
2034 .....	38,480,000	2040* .....	26,775,000
2035 .....	40,130,000		
2036 .....	41,875,000		
2037 .....	43,720,000		
2038* .....	20,160,000		

  

<u>Subseries D-5</u>	
<u>August 1</u>	<u>Amount</u>
2040 .....	\$23,100,000
2041* .....	51,900,000

\* *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.

**Notice of Redemption**

When Bonds are redeemed, the City will give notice of redemption only to DTC (not to the Beneficial Owners of the Bonds) not less than 30 or more than 60 days prior to the date fixed for redemption.

**Mandatory and Optional Tender**

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

**Special Considerations Relating to the Bonds**

The information under this caption “Special Considerations Relating to the Bonds” was provided by the Remarketing Agents and is not the responsibility of the City.

*The Remarketing Agents are Paid By the City.* The responsibilities of each Remarketing Agent include determining the interest rate from time to time and remarketing the applicable Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Certificate and the applicable Remarketing Agreement), all as further described in this Official Statement. Each Remarketing Agent is appointed by the City and is paid by the City for its services. As a result, the interests of each Remarketing Agent may differ from those of existing Holders and potential purchasers of Bonds.

*Each Remarketing Agent Routinely Purchases Bonds for its Own Account.* Each Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, routinely purchases such obligations for its own account. Each Remarketing Agent is permitted, but not obligated, to purchase tendered Bonds for its own account and, in its sole discretion, may routinely acquire such tendered Bonds in order to achieve a successful remarketing of the Bonds (i.e., because there otherwise are not enough buyers to purchase the Bonds) or for other reasons. However, the Remarketing Agents are not obligated to purchase Bonds, and may cease doing so at any time without notice. The Remarketing Agents may also make a market in the Bonds by routinely purchasing and selling Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agents are not required to make a market in the Bonds. Each Remarketing Agent may also sell any Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Bonds. The purchase of Bonds by a Remarketing Agent may create the appearance that there is greater third party demand for the Bonds in the market than is actually the case. The practices described above also may result in fewer Bonds being tendered in a remarketing.

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

*The Ability to Sell the Bonds Other Than Through the Tender Process May Be Limited.* Each Remarketing Agent may buy and sell Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require Holders that wish to tender their Bonds to do so through the Tender Agent with appropriate notice. Thus, investors who purchase the Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Bonds other than by tendering the Bonds in accordance with the tender process. The Liquidity Facility and Credit Facilities are only available to purchase the respective subseries of Bonds tendered in accordance with the tender process.

*Each Remarketing Agent May Cease Remarketing the Bonds.* Under certain circumstances a Remarketing Agent may cease remarketing the Bonds, subject to the terms of the applicable Remarketing Agreement.

### **Book-Entry Only System**

The Depository Trust Company (“DTC”), New York, New York, acts as securities depository for the Bonds. Reference to the Bonds under this caption “Book-Entry Only System” shall mean all Bonds held through DTC. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each subseries and maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other



securities transactions, in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC National Securities Clearing Corporation, and Fixed Income Securities Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to both U.S. and non-U.S. securities brokers and dealers, bank, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (under this caption, "*Book-Entry Only System*," a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy (the "Omnibus Proxy") to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption notices will be sent to DTC. If less than all of the Bonds within a subseries are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such subseries to be redeemed.

Payment of redemption proceeds and principal and interest on and Purchase Price of the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or its Fiscal Agent, The Bank of New York Mellon, on the payment date in accordance

with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Fiscal Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Fiscal Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

The services of DTC as securities depository with respect to the Bonds may be discontinued at any time by giving reasonable notice to the City or the Fiscal Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates will be printed and delivered.

No assurance can be given by the City that DTC will make prompt transfer of payments to the Participants or that Participants will make prompt transfer of payments to Beneficial Owners. The City is not responsible or liable for payment by DTC or Participants or for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or Participants.

For every transfer and exchange of the Bonds, the Beneficial Owners may be charged a sum sufficient to cover any tax, fee or other charge that may be imposed in relation thereto.

Unless otherwise noted, certain of the information contained under this caption "Book-Entry Only System" has been extracted from information furnished by DTC. Neither the City nor the Underwriters of the Bonds makes any representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

### **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 Adjustable Rate Bonds;
- (b) to identify particular Adjustable Rate 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 Adjustable Rate 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 Matters**

In the opinion of Fulbright & Jaworski LLP ("Bond Counsel to the City for Tax Matters" or "Tax Counsel"), interest on the Bonds will be exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City.



The City will covenant in a Tax Certificate to comply with applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the exclusion from gross income of the interest on the Bonds for purposes of federal income taxation. In the opinion of Tax Counsel, assuming compliance by the City with such covenants, interest on the Bonds will be excludable from the gross income of the owners thereof for purposes of federal income taxation. Failure by the City to comply with such covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof retroactive to the date of issue of the Bonds. Further, Tax Counsel will render no opinion as to the effect on the exclusion from gross income of interest on the Bonds of any action taken or not taken after the date of such opinion without the approval of Tax Counsel.

In the opinion of Tax Counsel, interest on the Bonds is not an item of tax preference for purposes of the federal individual or corporate alternative minimum tax. The Code contains other provisions that could result in tax consequences, upon which no opinion will be rendered by Tax Counsel, as a result of ownership of the 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 such corporation’s adjusted current earnings for purposes of calculating the alternative minimum taxable income of such corporation, other than an S corporation, a qualified mutual fund, a real estate investment trust, a real estate mortgage investment conduit, or a financial asset securitization investment trust (“FASIT”). A corporation’s alternative minimum taxable income is the basis on which the alternative minimum tax imposed by Section 55 of the Code will be computed.

In rendering the foregoing opinions, Tax Counsel will rely on the opinion of Sidley Austin LLP, as Bond Counsel, to the effect that 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. Sidley Austin LLP has not been engaged to review, and has not reviewed, any matter or conducted any investigation or examination relating to the federal, state or local tax consequences with respect to the receipt of interest on the Bonds, or the ownership or the disposition of the Bonds, and takes no responsibility therefor. Furthermore, Sidley Austin LLP is not expressing any opinion as to any federal, state or local tax consequences arising with respect to the Bonds, the receipt of interest thereon or the ownership or disposition thereof, including, without limitation, the exclusion from gross income of interest on the Bonds.

Tax Counsel’s opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the covenants of the City described above. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to the matters addressed in the opinion of Tax Counsel, and Tax Counsel’s opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the City as the “taxpayer,” and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the City may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Tax Counsel will express no opinion with respect to any federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change so as to reduce or eliminate the benefit to holders of the Bonds of the exclusion of interest thereon from gross income for federal income tax purposes. Proposed legislative or administrative action,

whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed changes in tax law.

Sidley Austin LLP has not been engaged to review any matter or conduct any investigation or examination relating to the federal, state or local tax consequences with respect to the receipt of interest on the Bonds, or the ownership or the disposition of the Bonds, and takes no responsibility therefor. Furthermore, Sidley Austin LLP is not expressing any opinion as to any federal, state or local tax consequences arising with respect to the Bonds, the receipt of interest thereon or the ownership or disposition thereof, including, without limitation, the exclusion from gross income of interest on the Bonds.

### **Ratings**

The Subseries D-3 Bonds have been rated “Aa2/VMIG1” by Moody’s Investors Service, Inc. (“Moody’s”), “AA/A-1” by Standard & Poor’s Ratings Services (“S&P”) and “AA/F1” by Fitch, Inc., (“Fitch”). The Subseries D-4 Bonds have been rated “Aa1/VMIG1”, “AAA/A-1+” and “AAA/F1+” by Moody’s, S&P and Fitch, respectively. The Subseries D-5 Bonds have been rated “Aa1/VMIG1”, “AAA/A-1” and “AAA/F1” by Moody’s, S&P and Fitch, respectively. Any such ratings reflect only the views of Moody’s, S&P and Fitch from which an explanation of the significance of such ratings may be obtained. There is no assurance that such ratings, if given, will continue for any given period of time or that they will not be revised downward or withdrawn entirely. Any such downward revision or withdrawal could have an adverse effect on the market prices of such bonds. A securities rating is not a recommendation to buy, sell or hold securities.

### **Legal Opinions**

The legality of the authorization and issuance of the Bonds will be affirmed by the approving legal opinion of Sidley Austin LLP, New York, New York, Bond Counsel to the City. Reference should be made to the form of such opinion set forth in Appendix C 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.

The opinion of Fulbright & Jaworski LLP, New York, New York, Bond Counsel to the City for Tax Matters, will be substantially in the form of Appendix D hereto. Reference should be made to the form of such opinion for the matters covered by such opinion and the scope of Tax Counsel’s engagement in relation to the issuance of the Bonds.

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

Orrick, Herrington & Sutcliffe LLP, New York, New York, Special Disclosure 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 which is on file at the office of the Corporation Counsel.

Certain legal matters will be passed upon by Squire Sanders (US) LLP, New York, New York, and D. Seaton and Associates, New York, New York, Co-Counsel to the Underwriter.

Certain legal matters for each Bank will be passed upon by their respective special counsels.

### **Underwriting**

The Subseries D-3 Bonds are being purchased for reoffering by J.P. Morgan Securities LLC who has agreed, subject to certain conditions, to purchase such Bonds from the City at an aggregate underwriter’s discount of \$15,032.79 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. J.P. Morgan Securities LLC will be obligated to purchase all such Bonds if any such Bonds are purchased.

The Subseries D-4 Bonds are being purchased for reoffering by TD Securities (USA) LLC who has agreed, subject to certain conditions, to purchase such Bonds from the City at an aggregate underwriter’s discount of \$5,658.00 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. TD Securities (USA) LLC will be obligated to purchase all such Bonds if any such Bonds are purchased.

The Subseries D-5 Bonds are being purchased for reoffering by PNC Capital Markets LLC who has agreed, subject to certain conditions, to purchase such Bonds from the City at an aggregate underwriter's discount of \$5,983.00 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. PNC Capital Markets LLC will be obligated to purchase all such Bonds if any such Bonds are purchased.

The delivery of a subseries of Adjustable Rate Bonds is contingent upon the delivery of each other subseries of Adjustable Rate Bonds and the delivery of the Adjustable Rate Bonds is contingent upon the delivery of the City's Fiscal 2014 Series D, Subseries D-1 and Subseries D-2 Bonds described in the Fixed Rate Official Statement.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the City for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

#### **Financial Advisors**

The City has retained Public Resources Advisory Group and A.C. Advisory, Inc. to act as financial advisors with respect to the City's financing program and the issuance of the Bonds.

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 during any Daily Rate Period, Two-Day Rate Period, Commercial Paper Rate Period, or Weekly Rate Period, \$100,000 or any integral multiple of \$5,000 in excess of \$100,000.

*“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.

*“Authorizing Document”* means the Supplemental Certificate of the Deputy Comptroller for Public Finance of the City of New York With Respect to the Bonds, dated October 16, 2013.

*“Bank Bond”* or *“Purchased Bond”* means any Multi-Modal Bond held pursuant to a Standby Agreement. The terms of Purchased Bonds are not described in detail in this Official Statement.

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

*“Bonds”* means the City’s General Obligation Bonds, Fiscal 2014 Series D, Subseries D-3, D-4 and D-5.

*“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 City, the New York Stock Exchange, the Federal Reserve Bank of New York, the Fiscal Agent, the Tender Agent, the Remarketing Agent or banks and trust companies in New York, New York, are authorized or required to remain closed.

*“Certificate”* means the Authorizing Document with all Exhibits, Schedules, appendices and related proceedings, including the Bonds and all supplemental certificates.

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

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

*“Commercial Paper Rate”* means each rate at which a Multi-Modal Bond bears interest during a 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 Bond bears interest at a Commercial Paper Rate; and the first day immediately following the last day of each Commercial Paper Rate Period shall be a Business Day and, with respect to at least the amount of such Bonds to be redeemed by mandatory redemption, shall be not later than the redemption date.

*“Conversion”* means a change in the Rate Mode of a Multi-Modal Bond. To “Convert” is the act of Conversion.

*“Conversion Date”* means the Business Day of a Conversion or proposed Conversion, which shall be an eligible Optional Redemption Date for the Rate Mode in effect.

*“Conversion Notice”* means a notice of a change in the Rate Mode.

*“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*” or “*Termination 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 Standby Agreement issued by such Standby Purchaser will terminate on the date specified in such notice or any comparable notice.

“*Direct Participant*” means a participant in the book-entry system of recording ownership interests in the 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 facsimile transmission, email transmission or other similar electronic means of communication providing evidence of transmission, including a telephone communication confirmed by any other method set forth in this definition.

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

“*Favorable Opinion of Bond Counsel*” shall mean an opinion or opinions 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 Bonds from gross income for purposes of federal income taxation.

“*Fiduciary*” means each Fiscal Agent, Paying Agent or Tender Agent.

“*Fiscal Agent*” means The Bank of New York Mellon 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.

“*Initial Period*” means a period specified by the City, beginning on the Issue Date or a Conversion Date. The day following an Initial Period shall be a Business Day and shall not be treated as a Conversion Date.

“*Initial Rate*” means each rate of interest to be paid in an Initial Period as set forth in the Certificate.

“*Interest Payment Date*” means with respect to (a) any Daily Rate Period, any Two-Day Rate Period, any Weekly Rate Period, or any case not specified, the first Business Day of each month; (b) any Commercial Paper Rate Period, the first Business Day of each month and the Business Day following the last day of the Rate Period; or (c) any Rate Period, as may be specified by the City. With respect to all Multi-Modal Bonds, interest shall be payable on each Mandatory Tender Date, redemption date or maturity date.

“*Issue Date*” means the date of initial delivery of the 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, upon the occurrence of which the Standby Purchaser is not obligated to purchase Multi-Modal Bonds, and, accordingly, such Bonds are not subject to tender for purchase.

“*Liquidity Enhanced Bonds*” means the Multi-Modal Bonds bearing interest in the Daily Rate Mode, Two-Day Mode, Weekly Rate Mode or Commercial Paper Mode.

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

“Mandatory Redemption Date” means, in each year so specified in the Bonds in the Daily Rate Mode, the Two-Day Mode, the Weekly Rate Mode or the Commercial Paper Mode, or in any case not specified, the first Business Day in the Maturity Month (which will be an Interest Payment Date).

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

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

<u>Maturity Month</u>	<u>Opposite Month</u>
August	February

“Maximum Rate” means, with respect to the Bonds, 9%, or such Maximum Rate not exceeding 25% as may be specified by the City.

“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 the Bonds.

“Optional Redemption Date” means: (i) for Bonds in the Daily Rate Mode, Weekly Rate Mode or Two-Day Mode, any Business Day and (ii) for Bonds in the Commercial Paper Mode, each Mandatory Tender Date.

“Optional Tender Date” means any Business Day during a Daily Rate Period, Two-Day Rate Period or 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 each Purchase and Remarketing Fund.

“Purchase and Remarketing Fund” means the Purchase and Remarketing Fund established pursuant to the Certificate.

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

“Rate” means each Initial Rate, Daily Rate, Two-Day Rate, Commercial Paper Rate, Weekly Rate, or Bank Rate.

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

“Rate Period” means any Initial Period, Daily Rate Period, Two-Day Rate Period, Commercial Paper Rate Period or Weekly Rate Period.

“Rating Agency” means each nationally recognized statistical rating organization that has, at the request of the City, a short-term 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 Fitch or Moody’s) or reduced in Rating Category (by other Rating Agencies) solely as a result of action proposed to be taken under the Certificate.

“Record Date” means, with respect to each Interest Payment Date (unless otherwise specified by an Authorized Officer of the City), for each Initial Period, Daily Rate Period, Two-Day Rate Period, Commercial Paper Rate Period or Weekly Rate Period the close of business on the Business Day preceding such Interest Payment Date.

“Remarketing Agent” means each remarketing agent for Multi-Modal Bonds appointed and serving in such capacity.



*“Remarketing Agreement”* means each Remarketing Agreement between the City and the Remarketing Agent for a Liquidity Enhanced Bond, as in effect from time to time.

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

*“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 and its successors and assigns; references to S&P are effective so long as S&P is a Rating Agency.

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

*“Standby Agreement”* means an agreement (which may be a reimbursement agreement and related letter of credit) providing, to the extent required by the LFL, for the purchase of any Multi-Modal Bonds, as in effect from time to time.

*“Standby Purchaser,” “Credit Facility Provider,” “Liquidity Provider,” “Provider” “Subseries Bank”* or *“Bank”* means any provider of a Standby Agreement then in effect.

*“Subseries”* shall mean the Subseries D-3, D-4 or D-5 Bonds.

*“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 Bond mandatorily tendered or tendered at the option of the Holder thereof for purchase in accordance with the Certificate, including a Bond deemed tendered, but not surrendered on the applicable Tender Date.

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

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

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

*“Two-Day Rate Period”* means a period during which Multi-Modal Bonds bear interest at the Two-Day Rate.

*“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 a period of 7 days commencing on the Issue Date, on a Conversion Date or on the date (Thursday unless otherwise specified by an Authorized Officer of the City) following an Initial Period or a Weekly Rate Period.

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

## 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

The Multi-Modal Bonds are subject to mandatory tender for purchase as described under “Mandatory Tender for Purchase” and, if such Bonds are in a Daily Rate Mode, Two-Day Mode or Weekly Rate Mode, are subject to optional tender for purchase as described under “Optional Tender for Purchase.” The Multi-Modal Bonds of a Subseries 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 any Initial Period for the Liquidity Enhanced Bonds, a Daily Rate Period, a Two-Day 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.

Interest on the Multi-Modal Bonds will be the interest accruing and unpaid through and including the day preceding the Interest Payment Date and will be payable on each Interest Payment Date to the registered owner thereof as shown on the registration books kept by the Fiscal Agent at the close of business on the applicable Record 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 Conversion Notice to, as applicable, the Remarketing Agent, the applicable Standby Purchaser, DTC, the Fiscal Agent and the Tender Agent specifying the Subseries of Multi-Modal Bonds to be converted, the Conversion Date and the Rate Mode that will be effective on the Conversion Date. The City must deliver such Conversion Notice not less than 15 days prior to the Conversion Date or a shorter period (of at least 10 days) if acceptable to the Fiscal Agent and DTC.

The Tender Agent, no later than three days after receipt of the Conversion Notice, is to give notice by first-class mail to the Holders of the Bonds to be converted, which notice must state (i) the Conversion Date; (ii) that the Rate Mode will not be converted unless the City receives on the Conversion Date a Favorable Opinion of Bond Counsel; (iii) the name and address of the principal corporate trust offices of the Fiscal Agent and Tender Agent; (iv) that the Bonds to be converted will be subject to mandatory tender for purchase on the Conversion Date at the Purchase Price; and (v) that upon the Conversion, if there is on deposit with the Tender Agent on the Conversion Date an amount sufficient to pay the Purchase Price of the Multi-Modal Bonds so converted, such Bonds not delivered to the Tender Agent on the Conversion Date 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 or interest thereon and shall represent only the right to payment of the Purchase Price on deposit with the Tender Agent, without interest accruing thereon from and after the Conversion Date.

If less than all of the Multi-Modal 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 applicable Standby

Purchaser that it has been unable to remarket the Multi-Modal Bonds on the Conversion Date, the affected Multi-Modal Bonds will bear interest in the Rate Mode previously in effect or, with a Favorable Opinion of Bond Counsel, any other Rate Mode selected by the City to which such Bonds are duly converted.

### **Interest Rates and Reset Dates**

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

*Maximum Rate.* The 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 Daily Rate so established is held to be invalid or unenforceable with respect to a Daily Rate Period, or (iv) pursuant to the Remarketing Agreement the Remarketing Agent is not then required to establish a Daily Rate, then the Daily Rate for such Daily Rate Period shall continue in effect for two weeks, and thereafter such Bonds shall bear interest at the Maximum Rate until a Rate has been established by the Remarketing Agent.

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

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

*Weekly Rate.* Unless otherwise provided by the City pursuant to the Certificate, the Weekly Rate is to be determined by the Remarketing Agent and announced by 4:00 p.m., New York City time, on the Business Day immediately preceding the first day of the Weekly Rate Period. The Weekly Rate Period means a period commencing on the day specified by the City and extending to and including the sixth day thereafter, e.g. if commencing on a Thursday then extending to and including the next Wednesday.

If (i) a Weekly Rate has not been determined by the Remarketing Agent, (ii) no Remarketing Agent is serving under the 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, then the Weekly Rate for such Weekly Rate Period shall continue in effect for two weeks, and thereafter, such Bonds will bear interest at the Maximum Rate until a Rate has been duly established by the Remarketing Agent.

*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 but not including the maturity or redemption date of such Bond. Each Adjustable Rate Bond in a Commercial Paper 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 for such Commercial Paper Rate Period will continue in effect on such Bonds for two weeks, and thereafter, such Bonds will bear interest at the Maximum Rate until a Rate has been duly established by the Remarketing Agent.

### **Optional Tender for Purchase**

If a Subseries of Adjustable Rate Bonds is supported by a Credit Facility, or by a Liquidity Facility and no Liquidity Condition is in effect, an Adjustable Rate Bond of such Subseries 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, Two-Day Mode or Weekly Rate Mode upon giving notice of the registered owner's election to tender in the manner and at the times described below. Notice of an election to tender an Adjustable Rate Bond registered in the name of DTC is to be given by the Direct 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.

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

### **Mandatory Tender for Purchase**

If a Credit Facility is in effect (or if Bonds of a Subseries are supported by a Liquidity Facility and there is no existing Liquidity Condition), the 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 of such Subseries being converted to a different Rate Mode;
- (b) on the Business Day following each Rate Period for the Adjustable Rate Bonds of such Subseries in the Commercial Paper Mode;
- (c) on a Business Day specified by the Tender Agent, at the direction of the City, which shall be not less than one Business Day prior to the substitution of a Standby Agreement (including assignments) or the Expiration

Date of any Standby Agreement (which Standby Agreement will be drawn upon to pay the Purchase Price of unremarketed Tendered Bonds), unless a substitution is occurring and Rating Confirmation has been received from each Rating Agency;

- (d) on a Business Day that is not less than one Business Day prior to the Termination Date of a Standby Agreement relating to a Subseries of Adjustable Rate Bonds specified in a Default Notice delivered in accordance with the Standby Agreement.

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

The Adjustable Rate Bonds of a Subseries are also subject to mandatory tender for purchase on any Optional Redemption Date, upon 10 days' notice to Holders of such Bonds, if the City has provided a source of payment therefor in accordance with the Certificate and State law; under such circumstances, the Purchase Price is not payable by the Liquidity Facility.

Whenever Adjustable Rate Bonds are to be tendered for purchase in accordance with (a) above, the Tender Agent is to give notice to the Holders of such Adjustable Rate Bonds indicating that such Bonds are subject to mandatory tender for purchase on the date specified in such notice. The failure of any Holder of any portion of Adjustable Rate Bonds to receive such notice will not affect the validity of such Conversion to a new Rate Mode.

Whenever Adjustable Rate Bonds are to be tendered for purchase in accordance with (c) or (d) above, the Tender Agent is to give notice to the Holders of such 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 Expiration Date or Termination Date. The failure of any Holder of any portion of such Adjustable Rate Bonds to receive such notice will not affect the validity of the proceedings in connection with the effectiveness of the affected Standby Agreement.

### **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 is held by the Tender Agent. The former registered owner of a Tendered Bond or an Adjustable Rate Bond deemed to have been tendered and purchased will have no claim thereunder or under the Certificate or otherwise for payment of any amount other than the Purchase Price.

### **Purchase Price and Payment**

On each Tender Date, a Tendered Bond will be purchased at the applicable Purchase Price. 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 Bank 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.

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 designated office. Payment



will be made by 3:00 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 Standby Agreement then in effect, and money furnished by or on behalf of the City (which has no obligation to do so).

### **No Extinguishment**

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

### **Liquidity Conditions**

Upon the occurrence of a suspension condition, as specified in a Liquidity Facility, the Standby Purchaser's obligations to purchase the related Bonds shall immediately be suspended (but not terminated) without notice or demand to any person and thereafter the Standby Purchaser shall be under no obligation to purchase such Bonds (nor shall such Bonds be subject to optional or mandatory tender for purchase) unless and until the Standby Purchaser's commitment is reinstated pursuant to the related Liquidity Facility. Promptly upon the occurrence of such suspension condition, the Standby Purchaser shall notify the City, the Tender Agent and the Remarketing Agent of such suspension in writing and the Tender Agent shall promptly relay such notice to the affected Bondholders upon receipt; but the Standby Purchaser shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the suspension of its obligation to purchase such Bonds. If the suspension condition shall be cured as described in the related Liquidity Facility, the obligations of the Standby Purchaser under such Liquidity Facility shall be reinstated (unless the Standby Purchaser's obligations shall have expired or shall otherwise have been terminated or suspended as provided in such Liquidity Facility).

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

### **Inadequate Funds for Tender**

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

**Remarketing of Bonds Upon Tender**

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

On each Tender Date, the Remarketing Agent is to give notice by Electronic Means to the related Liquidity Provider, the Fiscal Agent, the Tender Agent and the City specifying the principal amount of Tendered Bonds for which it has arranged a remarketing, along with the principal amount of Tendered Bonds, if any, for which it has not arranged a remarketing, and shall transfer to the Tender Agent the proceeds of the remarketing of the Tendered Bonds. The Tender Agent is, on such Tender Date, to obtain funds under the applicable Standby Agreement 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 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 in trust money in an amount sufficient for the timely payment of the maximum Purchase Price that could become payable to the Bondholders upon the exercise of any applicable optional or mandatory tender for purchase.

**Liquidity or Credit Facility**

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 Standby 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.

Each owner of an Adjustable Rate Bond bearing interest at a Daily, Two-Day or Weekly Rate will be entitled to the benefits and subject to the terms of the Liquidity Facility or Credit Facility for such Bond. Under such Credit Facility or Liquidity Facility, the Bank 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 Bank’s commitments under its initial Credit Facility or Liquidity Facility will be sufficient to pay the Purchase Price of the Adjustable Rate Bonds as follows:

<u>Bank</u>	<u>Subseries</u>	<u>Facility Scheduled Expiration Date</u>
JPMorgan Chase Bank, National Association (Liquidity Facility) . . . . .	D-3	October 14, 2016
TD Bank, N.A. (Credit Facility) . . . . .	D-4	October 16, 2018
PNC Bank, National Association (Credit Facility) . . . . .	D-5	October 14, 2016

No Bank is responsible for another Bank’s performance of its obligations under a Credit Facility or Liquidity Facility.

Mandatory purchase by a Bank of Adjustable Rate Bonds shall occur under the circumstances provided therefor, including, so long as a Credit Facility is provided or no Liquidity Condition exists, failure to extend or



replace the Credit Facility or Liquidity Facility relating to such Subseries of Adjustable Rate Bonds, and (at the option of the Bank) 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 Bank, all interest accruing thereon from the last date for which interest was paid shall accrue for the benefit of and be payable to such Bank.

If a Credit Facility or Liquidity Facility is to be extended or replaced, the City shall give Written Notice to each affected Bondholder at least 15 days prior to any extension or substitution.

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

The preceding is a summary of certain provisions expected to be included in the initial Credit Facilities and Liquidity Facility and proceedings under which the Multi-Modal Bonds are to be offered, 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 the Banks is included herein as "APPENDIX E — THE BANKS." Neither the City nor the Underwriters makes any representation with respect to the information in "APPENDIX E — THE BANKS."

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787 SEVENTH AVENUE
NEW YORK, NY 10019
(212) 839 5300
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BEIJING HONG KONG SHANGHAI
BOSTON HOUSTON SINGAPORE
BRUSSELS LONDON SYDNEY
CHICAGO LOS ANGELES TOKYO
DALLAS NEW YORK WASHINGTON, D.C.
FRANKFURT PALO ALTO
GENEVA SAN FRANCISCO

FOUNDED 1866

October 16, 2013

HONORABLE JOHN C. LIU
COMPTROLLER
The City of New York
Municipal Building
New York, New York 10007

Dear Comptroller Liu:

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 2014 Series D, Subseries D-3, D-4 and D-5 (the "Bonds").

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

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

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 City has received the opinion of Fulbright & Jaworski L.L.P. regarding certain federal, state and local tax consequences of ownership of or receipt or accrual of interest on the Bonds and we express no opinion as to such matters. We have not been engaged to investigate, examine, review or opine as to any matter relating to the

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federal, state or local tax consequences with respect to the Bonds (including the receipt of interest thereon) or the ownership or disposition thereof.

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,



Fulbright & Jaworski LLP  
666 Fifth Avenue, 31st Floor  
New York, New York 10103-3198  
United States

Tel +1 212 318 3000  
Fax +1 212 318 3400  
nortonrosefulbright.com

October 16, 2013

HONORABLE JOHN C. LIU  
COMPTROLLER  
The City of New York  
Municipal Building  
New York, New York 10007

Dear Comptroller Liu:

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 connection with the issuance by the City on the date hereof of its General Obligation Bonds, Fiscal 2014, Subseries D-3, D-4 and D-5 (the “Bonds”).

The Bonds are issued pursuant to 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. We have examined, and in expressing the opinions hereinafter described we rely upon, certificates of the City and such other agreements, documents and matters as we deem necessary to render our opinions. We have not undertaken an independent audit or investigation of the matters described or contained in the foregoing certificates, agreements and documents. We have assumed, without undertaking to verify, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as certified copies, the genuineness of all signatures, and the accuracy of the statements contained in such documents.

In rendering the opinions below, we are relying on the opinion of Sidley Austin LLP of even date herewith to the effect that 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.

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

1. Interest on the Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City.
2. The City has covenanted in a Tax Certificate dated the date hereof to comply with certain provisions of the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”), relating to the exclusion from gross income of the interest on the Bonds for purposes of federal income taxation. Assuming compliance by the City with such covenants, interest on the Bonds will be excludable from the gross income of the owners thereof for federal income tax purposes.
3. Interest on the Bonds is not an item of tax preference 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.

Fulbright & Jaworski LLP is a limited liability partnership registered under the laws of Texas. Fulbright & Jaworski LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP, Norton Rose Fulbright South Africa (incorporated as Deneys Reitz, Inc.), each of which is a separate legal entity, are members of Norton Rose Fulbright Verein, a Swiss Verein. Details of each entity, with certain regulatory information, are at [nortonrosefulbright.com](http://nortonrosefulbright.com). Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients.

We express no opinion with respect to any other federal, state or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Furthermore, we express no opinion as to the effect on the exclusion from gross income of interest on the Bonds of any action taken or not taken after the date of this opinion without our approval. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, "S" corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above. Finally, we express no opinion herein as to the accuracy, completeness or sufficiency of, or any other matter related to, the Official Statement dated October 9, 2013, relating to the Bonds or any other offering material relating to the Bonds.

Very truly yours,

**THE BANKS**

*The information under this Appendix E has been provided solely by the Banks and is believed to be reliable. This information has not been verified independently by the City or the Underwriters. The City and the Underwriters make no representation whatsoever as to the accuracy, adequacy or completeness of such information.*

**JPMORGAN CHASE BANK, NATIONAL ASSOCIATION**

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

As of June 30, 2013, JPMorgan Chase Bank, National Association had total assets of \$1,947.8 billion, total net loans of \$604.2 billion, total deposits of \$1,249.5 billion, and total stockholder’s equity of \$151.5 billion. These figures are extracted from the Bank’s unaudited Consolidated Reports of Condition and Income (the “Call Report”) as of June 30, 2013, prepared in accordance with regulatory instructions that do not in all cases follow U.S. generally accepted accounting principles. The Call Report including any update to the above quarterly figures is filed with the Federal Deposit Insurance Corporation and can be found at [www.fdic.gov](http://www.fdic.gov).

Additional information, including the most recent annual report on Form 10-K for the year ended December 31, 2012, of JPMorgan Chase & Co., the 2012 Annual Report of JPMorgan Chase & Co., and additional annual, quarterly and current reports filed with or furnished to the Securities and Exchange Commission (the “SEC”) by JPMorgan Chase & Co., as they become available, may be obtained without charge by each person to whom this Official Statement is delivered upon the written request of any such person to the Office of the Secretary, JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017 or at the SEC’s website at [www.sec.gov](http://www.sec.gov).

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



## TD BANK, N.A.

TD Bank, N.A. (the “Bank”) is a national banking association organized under the laws of the United States, with its main office located in Wilmington, Delaware. The Bank is an indirect, wholly-owned subsidiary of The Toronto-Dominion Bank (“TD”) and offers a full range of banking services and products to individuals, businesses and governments throughout its market areas, including commercial, consumer and trust services and indirect automobile dealer financing. The Bank operates banking offices in Connecticut, Delaware, the District of Columbia, Florida, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, North Carolina, New York, Pennsylvania, Rhode Island, South Carolina, Vermont and Virginia. As of June 30, 2013, the Bank had consolidated assets of \$212.2 billion, consolidated deposits of \$179.0 billion and stockholder’s equity of \$27.4 billion, based on regulatory accounting principles.

Additional information regarding the foregoing, and the Bank and TD, is available from the filings made by TD with the U.S. Securities and Exchange Commission (the “SEC”), which filings can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. In addition, the SEC maintains a website at <http://www.sec.gov>, which contains reports, proxy statements and other information regarding registrants that file such information electronically with the SEC.

The information concerning TD and the Bank contained herein is furnished solely to provide limited introductory information 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 herein.

The Letter of Credit will be issued by the Bank on the date of delivery of the Subseries D-4 Bonds and will be the obligation of the Bank and not TD.

The Bank will provide copies of the publicly available portions of the most recent quarterly Call Report 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:

TD Bank, N.A.  
1701 Route 70 East  
Cherry Hill, New Jersey 08034  
Attn: Corporate and Public Affairs

Information regarding the financial condition and results of operations of the Bank is contained in the quarterly Call Reports of the Bank delivered to the Comptroller of the Currency and available online at <https://cdr.ffiec.gov/public>. General information regarding the Bank may be found in periodic filings made by TD with the SEC. TD is a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare certain filings with the SEC in accordance with the disclosure requirements of Canada, its home country. Canadian disclosure requirements are different from those of the United States. TD’s financial statements are prepared in accordance with International Financial Reporting Standards, and may be subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies prepared in accordance with United States generally accepted accounting principles.

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

## PNC BANK NATIONAL ASSOCIATION

This summary incorporates by reference certain Call Reports of PNC Bank, National Association (“PNC Bank”), filed with the Office of the Comptroller of the Currency (“OCC”), and certain reports of its parent, The PNC Financial Services Group, Inc. (“PNC Financial”), filed with the Securities and Exchange Commission (“SEC”), as set forth below under the heading “Incorporation of Certain Documents by Reference.” You should read those reports and the information set forth below under the headings “PNC Bank and PNC Financial” and “Supervision and Regulation.”

You should also understand that, except to the limited extent described herein, this summary does not describe the business or analyze the condition, financial or otherwise, of PNC Bank or otherwise describe any risks associated with PNC Bank or the Letter of Credit. You must rely on your own knowledge, investigation and examination of PNC Bank and PNC Bank’s creditworthiness.

Neither PNC Bank nor PNC Financial makes any representation regarding the Bonds or the advisability of investing in the Bonds, nor do they make any representation regarding, nor has PNC Bank or PNC Financial participated in the preparation of, any document of which this summary is a part other than the information supplied by PNC Bank or PNC Financial and presented in this summary headed “PNC Bank, National Association.”

**THE LETTER OF CREDIT IS SOLELY AN OBLIGATION OF PNC BANK AND IS NEITHER AN OBLIGATION OF NOR GUARANTEED BY PNC FINANCIAL OR ANY OF ITS OTHER AFFILIATES.**

### **PNC Bank and PNC Financial**

PNC Bank is a national banking association with its headquarters in Pittsburgh, Pennsylvania and its main office in Wilmington, Delaware. PNC Bank is a wholly-owned indirect subsidiary of PNC Financial and is PNC Financial’s principal bank subsidiary. PNC Bank’s origins as a national bank date to 1865. PNC Bank offers a wide range of commercial banking, retail banking, residential mortgage banking, and trust and wealth management services to its customers. PNC Bank’s business is subject to examination and regulation by federal banking authorities. Its primary federal bank regulator is the OCC and its deposits are insured by the Federal Deposit Insurance Corporation (“FDIC”).

PNC Financial, the parent company of PNC Bank, was incorporated under the laws of the Commonwealth of Pennsylvania in 1983 with the consolidation of Pittsburgh National Corporation and Provident National Corporation. Since 1983, PNC Financial has diversified its geographic presence, business mix and product capabilities through internal growth, strategic bank and non-bank acquisitions and equity investments, and the formation of various non-banking subsidiaries.

PNC Financial is one of the largest diversified financial services companies in the United States and is headquartered in Pittsburgh, Pennsylvania. PNC Financial has businesses engaged in retail banking, corporate and institutional banking, asset management, and residential mortgage banking. PNC Financial provides many of its products and services nationally, as well as products and services in PNC Financial’s primary geographic markets located in Pennsylvania, Ohio, New Jersey, Michigan, Illinois, Maryland, Indiana, North Carolina, Florida, Kentucky, Washington, D.C., Delaware, Alabama, Virginia, Georgia, Missouri, Wisconsin and South Carolina. PNC Financial also provides certain products and services internationally.

### **PNC Financial**

*in billions*

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Total assets .....	\$304.4	\$305.1
Total deposits .....	\$212.3	\$213.1
Shareholders’ equity .....	\$ 40.3	\$ 39.0

## **PNC Bank**

*in billions*

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Total assets .....	\$294.5	\$295.0
Total loans (net of unearned income) and loans held for sale .....	\$193.7	\$189.7
Total deposits .....	\$216.1	\$216.7
Total bank equity capital .....	\$ 35.9	\$ 36.3
Total equity capital .....	\$ 37.7	\$ 38.4

### **Supervision and Regulation**

PNC Financial, the parent company of PNC Bank, is a bank holding company and a financial holding company and is subject to numerous governmental regulations involving both its business and organization. To a substantial extent, the purpose of the regulation and supervision of financial services institutions and their holding companies is not to protect shareholders and non-customer creditors, but rather to protect customers (including depositors) and the financial markets in general.

PNC Financial's businesses are subject to regulation by multiple bank regulatory bodies as well as multiple securities industry regulators. Applicable laws and regulations restrict permissible activities and investments and require compliance with protections for loan, deposit, brokerage, fiduciary, investment management and other customers, and for the protection of customer information, among other things. Applicable laws and regulations also restrict PNC Financial's ability to repurchase stock or pay dividends, or to receive dividends from subsidiaries that operate in the banking and securities businesses, and impose capital adequacy requirements. PNC Financial and its subsidiaries are also subject to laws and regulations designed to combat money laundering, terrorist financing, and transactions with persons, companies or foreign governments designated by U.S. authorities. The consequences of noncompliance can include substantial monetary and nonmonetary sanctions as well as damage to reputation and businesses. In addition, PNC Financial and PNC Bank are subject to comprehensive examination and supervision by banking and other regulatory bodies. Examination reports and ratings (which often are not publicly available) and other aspects of this supervisory framework can materially impact the conduct, growth, and profitability of the company's businesses.

There have been numerous legislative and regulatory developments and dramatic changes in the competitive landscape of the financial services industry over the last several years. The United States and other governments have undertaken major reform of the regulation of the financial services industry, including engaging in new efforts to impose requirements designed to strengthen the stability of the financial system and protect consumers and investors. PNC Financial expects to face further increased regulation of the financial services industry as a result of current and future initiatives intended to provide economic stimulus, financial market stability, and enhanced regulation of financial services companies and to enhance the liquidity and solvency of financial institutions and markets. PNC Financial and PNC Bank also expect in many cases more intense scrutiny from their supervisors in the examination process and more aggressive enforcement of regulations on both the federal and state levels. Compliance with new regulations will increase the company's costs and reduce its revenue. Some new regulations may limit the company's ability to pursue certain desirable business opportunities.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), enacted in July 2010, mandates the most wide-ranging overhaul of financial industry regulation in decades. Many parts of the law are now in effect, and others are now in the implementation stage, which is likely to continue for several years.

Additional information concerning recent legislative and regulatory developments, including developments related to the implementation of the Basel III capital framework, as well as certain governmental, legislative and regulatory inquiries and investigations that may affect PNC Financial, and a general discussion of some of the elements of the regulatory framework affecting PNC Financial and its subsidiaries and discussion of certain business, regulatory and legal risks that affect PNC Financial can be found in the following sections of PNC Financial's 2012 Annual Report on Form 10-K, as such discussion may be amended or updated in other reports filed by PNC Financial with the SEC: the Supervision and Regulation section included in Item 1; the Risk

Factors included in Item 1A; the Recent Market and Industry Developments and Risk Management sections included in Item 7; and the Regulatory Matters, Legal Proceedings, and Commitments and Guarantees Notes of the Notes To Consolidated Financial Statements included in Item 8.

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

PNC Bank submits quarterly to the OCC, its primary federal bank regulator, certain unaudited reports called “Consolidated Reports of Condition and Income” (“Call Reports”). Each Call Report consists of a balance sheet, income statement, information on changes in equity capital, and other supporting schedules as of the end of or for the period to which the report relates. The Call Reports are prepared in accordance with regulatory instructions issued by the Federal Financial Institutions Examination Council. Because of the special supervisory, regulatory and economic policy needs served by the Call Reports, those regulatory instructions do not in all cases follow accounting principles generally accepted in the United States, including the opinions and statements of the Accounting Principles Board or the Financial Accounting Standards Board (“U.S. GAAP”). While the Call Reports are supervisory and regulatory documents, not primarily financial accounting documents, and do not provide a complete range of financial disclosure about PNC Bank, the reports nevertheless provide important information concerning the financial condition and results of operations of PNC Bank.

The publicly available portions of the Call Reports are on file with, and publicly available on written request to, the FDIC, Public Information Center, 3501 North Fairfax Drive, Arlington, VA 22226, or by calling the FDIC Public Information Center at 877-275-3342 or 703-562-2200. The Call Reports are also available by accessing the FDIC’s website at <http://www.fdic.gov>.

PNC Financial, the parent company of PNC Bank, is subject to the informational requirements of the Securities Exchange Act of 1934 as amended (“Exchange Act”). In accordance with the Exchange Act, PNC Financial files annual, quarterly and current reports, proxy statements, and other information with the SEC. PNC Financial’s SEC File Number is 001-09718. You may read and copy this information at the SEC’s Public Reference Room, located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You can obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330 or 202-551-8090. You can also obtain copies of this information by mail from the public reference section of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates.

The SEC also maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers, like PNC Financial, who file electronically with the SEC. The address of that website is [www.sec.gov](http://www.sec.gov). You can also inspect reports, proxy statements and other information about PNC Financial at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have included the web addresses of the FDIC and the SEC as inactive textual references only. Except as specifically incorporated by reference into this summary, information on those websites is not part hereof.

The publicly-available portions of PNC Bank’s Call Reports for the years ended December 31, 2012, December 31, 2011, and December 31, 2010 and the quarters ended March 31, 2013 and June 30, 2013, and of any amendments or supplements thereto, as filed by PNC Bank with the OCC, are incorporated herein by reference. The publicly-available portions of each other PNC Bank Call Report, and of any amendments or supplements thereto or to any of the PNC Bank Call Reports listed above, filed with the OCC after December 31, 2012 and prior to the expiration of the Letter of Credit are also incorporated herein by reference and will be deemed a part hereof from the date of filing of each such document. Subsequently filed reports, and amendments or supplements to reports, will automatically update and supersede prior information.

In addition to the Call Reports referred to above, PNC Bank incorporates herein by reference the following documents: PNC Financial’s Annual Report on Form 10-K for the year ended December 31, 2012; PNC Financial’s Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013 and June 30, 2013; PNC Financial’s Current Reports on Form 8-K filed with the SEC on February 7, 2013, February 21, 2013, March 1, 2013 (with respect to Item 5.02), March 15, 2013, March 19, 2013, March 22, 2013, April 8, 2013, April 29, 2013, May 1,

2013, May 7, 2013, and August 1, 2013; and any amendments or supplements to those reports. Each other annual, quarterly and current report, and any amendments or supplements thereto or to any of the PNC Financial reports listed above, filed by PNC Financial with the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act after December 31, 2012 and prior to the expiration of the Letter of Credit is also incorporated herein by reference and will be deemed a part hereof from the date of filing of each such document. Subsequently filed reports, and amendments or supplements to reports, will automatically update and supersede prior information. The information incorporated by reference herein does not include any report, document or portion thereof that PNC Financial furnishes to, but does not file with, the SEC unless otherwise specifically provided above.

Neither the delivery of this document nor the sale of any Bonds will imply that the information herein or in any document incorporated by reference is correct as of any time after its date. Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes hereof to the extent that a statement contained therein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part hereof.

Any of the above documents incorporated herein by reference (other than exhibits to such documents unless such exhibits are specifically incorporated by reference into such documents) are available upon request by holders of the Bonds or by prospective investors in the Bonds without charge: (1) in the case of PNC Bank documents, by written request addressed to Ronald Lewis, Manager of Regulatory Reporting, at The PNC Financial Services Group, Inc., One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2707; or (2) in the case of PNC Financial documents, (a) for copies without exhibits, by contacting Shareholder Services at 800-982-7652 or via the online contact form at [www.computershare.com/contactus](http://www.computershare.com/contactus), and (b) for exhibits, by contacting Shareholder Relations at 800-843-2206 or via e-mail at [investor.relations@pnc.com](mailto:investor.relations@pnc.com). The interactive data file (“XBRL”) exhibit is only available electronically.

**THE CREDIT FACILITIES**

**FORM OF LETTER OF CREDIT**

**IRREVOCABLE LETTER OF CREDIT**

**TD BANK, N.A.**

**Letter of Credit No. [       ]**

October 16, 2013

The Bank of New York Mellon, as Tender Agent  
and Fiscal Agent  
Attn: Corporate Trust Department  
Municipal Finance Northeast Unit  
101 Barclay Street, 8W  
New York, New York 10286

Dear Sirs:

We hereby establish, at the request and for the account of THE CITY OF NEW YORK, a New York municipal corporation (the “*Issuer*”), in your favor, as Tender Agent and Fiscal Agent under and as defined in the Certificate (including all attachments thereto, the “*Certificate*”) of the Deputy Comptroller for Public Finance of the Issuer, an Irrevocable Letter of Credit (the “*Letter of Credit*”). In accordance with the Certificate and pursuant to the provisions of the Constitution and laws of the State of New York (the “*State*”), \$100,000,000 aggregate principal amount of General Obligation Bonds, Fiscal 2014, Series D, Subseries D-4 (Adjustable Rate Bonds) are being issued to mature on August 1, 2040 (the “*Bonds*”). The Letter of Credit is for the benefit of the holders of the Bonds, is in the total amount of \$100,863,014 (as more fully described below), is effective as of the date hereof and expires on the Termination Date. As used herein, “*Termination Date*” shall mean the earliest of (i) October 16, 2018 or the date to which the Letter of Credit may be extended by us substantially in the form of Annex 6, (ii) the date on which the Principal Portion of the Letter of Credit Amount is reduced to zero pursuant to the terms hereof (other than as a result of a Tender Drawing), (iii) the date five days after we receive notice from the Fiscal Agent that all of the Bonds have been paid in full, redeemed, defeased or converted to a rate other than the Daily Rate, the Two-Day Rate or the Weekly Rate in accordance with the terms of such Bonds or a substitute letter of credit has been delivered to the Tender Agent pursuant to the Certificate, (iv) the date on which the Letter of Credit is surrendered by the Tender Agent to us for cancellation (after we honor any drawing under the Letter of Credit made on the date thereof), and (v) the date which is eight days (or if such day is not a Business Day, the immediately succeeding Business Day) after the date on which you receive the notice of termination specified in Section 7(b) of the Reimbursement Agreement dated as of October 1, 2013 (as amended, supplemented, restated or otherwise modified from time to time, the “*Reimbursement Agreement*”) between the Issuer and us to terminate this Letter of Credit.

Our obligation to make payments under this Letter of Credit shall be limited to the Letter of Credit Amount. The “Letter of Credit Amount” and the “Principal Portion” and “Interest Portion” thereof shall initially be the amounts set forth in Schedule I hereto, and shall thereafter, at any time, be equal to such amounts adjusted as set forth in this Letter of Credit. Notwithstanding any other provision of this Letter of Credit or the Reimbursement Agreement, at no time shall (i) the Principal Portion of the Letter of Credit Amount exceed the outstanding principal amount of the Bonds bearing interest at the Daily Rate, the Two-Day Rate or the Weekly Rate which are subject to Mandatory Tender or Optional Tender under the Certificate, (ii) the Interest Portion of the Letter of Credit Amount exceed 35 days interest at a per annum interest rate of 9%, calculated in accordance with the applicable provisions of the Certificate, or (iii) the Letter of Credit Amount exceed the sum of the amounts described in clause (i) and clause (ii) of this paragraph.



We hereby irrevocably authorize you to draw on us in accordance with the terms and conditions hereinafter set forth, by your draft, an aggregate amount not exceeding the Letter of Credit Amount, of which (i) an aggregate amount not exceeding the Principal Portion may be drawn with respect to payment of the portion of the purchase price equal to the principal amount of Bonds tendered or deemed tendered for purchase pursuant to the Certificate (“*Tendered Bonds*”), pursuant to Annex 2 or 3 hereof, as appropriate, and (ii) an aggregate amount not exceeding the Interest Portion (but no more in the case of any drawing than an amount equal to the interest accrued on the Bonds for the 35 days immediately preceding the date on which such interest is to be paid) may be drawn with respect to payment of the portion of the purchase price of Tendered Bonds representing interest accrued thereon, pursuant to Annex 2 or 3 hereof, as appropriate. The Letter of Credit Amount shall be reduced (y) immediately upon any drawing hereunder by the amount of such drawing (each such drawing, or portion thereof, allocable to principal or interest, as the case may be, to result in a reduction of the Principal Portion or Interest Portion, as appropriate) and (z) effective upon receipt by us of a notice of reduction from the Fiscal Agent substantially in the form of Annex 4 to this Letter of Credit, by the amount specified in such notice, allocated between the Principal Portion and Interest Portion in accordance with such notice; but if a notice of reduction in the form of Annex 4 should have been delivered by the Fiscal Agent but was not so delivered, the Fiscal Agent may not make a drawing for the amounts as to which the Letter of Credit would have been reduced had such notice of reduction been delivered. We will pay drawings hereunder with our own funds.

Only you as Tender Agent or Fiscal Agent, as the case may be, may make drawings under this Letter of Credit. Upon the payment to you or your account of the amount specified in a draft drawn hereunder, we shall be fully discharged on our obligations under this Letter of Credit with respect to such draft, and we shall not thereafter be obligated to make any further payments under this Letter of Credit in respect of such draft to you or to any other person, firm, corporation, or other entity who may have made to you or who makes to you a demand for payment of principal of or interest on any Bond or the purchase price thereof.

Immediately upon the sale of any Tendered Bond held by us or for our account through you, as Tender Agent, in accordance with Section 2(b)(ii) of the Reimbursement Agreement, the Principal Portion and Interest Portion previously drawn pursuant to a drawing under the Certificate relating to (i) Optional Tenders or (ii) Mandatory Tenders (in either case, a “*Tender Drawing*”) with respect to such Tendered Bonds shall be restored to the amounts available to be drawn hereunder. Subject to the preceding sentence, drawings in respect of payments hereunder honored by us shall not, in the aggregate, exceed the Letter of Credit Amount.

Funds under this Letter of Credit are available to you against (a) your draft in the form of Annex 1 hereto, appropriately completed and (b)(i) if the drawing is being made with respect to a Mandatory Tender pursuant to the Certificate, a certificate signed by you in the form of Annex 2 attached hereto appropriately completed and (ii) if a drawing is being made with respect to an Optional Tender pursuant to the Certificate, a certificate signed by you in the form of Annex 3 attached hereto appropriately completed. Such draft(s) and certificate(s) shall be dated the date of presentation. The original of each such draft and certificate shall be filed at our office located at TD Bank, N.A., [Address: \_\_\_\_\_], or by telecopier (at telecopier number ( ) - ), Attention: [ \_\_\_\_\_ ] (or at any other office which may be designated by written notice delivered to you). If we receive your draft(s) and certificate(s) at such office, all in strict conformity with the terms and conditions of this Letter of Credit, at or prior to 12:30 P.M. (New York City time) on a business day on or prior to the Termination Date, we will honor the same (to the extent required by this Letter of Credit) by making payment in accordance with your payment instructions in immediately available funds by 2:30 P.M. (New York City time) on the Purchase Date; and if we receive a draft and certificate from both the Fiscal Agent and the Tender Agent with respect to any drawing at or prior to 12:30 P.M. (New York City time) on any business day, the draft and certificate from the Fiscal Agent shall be controlling and the draft and certificate from the Tender Agent shall be disregarded. The “*Purchase Date*” for any drawing shall be the date specified in the applicable draft; but in no event shall the Purchase Date be (i) before the day the draft and certificate are received by the Bank or on the same day the draft and certificate are received if such draft and certificate are received by the Bank later than 12:30 P.M. (New York City time) or (ii) after the Termination Date.

Each draft and certificate may be delivered to us in person, by mail, by a delivery service or by telecopy transmission at such number as is indicated below or as we shall notify you in writing from time to time. Such a



draft or certificate shall be deemed to have been presented on the date actually received by us. Any draft or certificate you submit to us by telecopy transmission (with the original of any such draft or certificate to be delivered to us on the next succeeding Business Day) shall be sent to TD Bank, N.A., [Address:

]; Attention: [ ] (or at any other office which may be designated by written notice delivered to you).

As used herein or in the Annexes hereto, (i) "business day" shall mean a day (a) other than a day on which commercial banks (i) in The City of New York, New York, are required or authorized by law or executive order to close, (ii) in the city in which drawings under this Letter of Credit are required or authorized by law or executive order to close, and (b) on which the New York Stock Exchange is not closed; and (ii) "Affiliate of the Issuer" means any person, firm, corporation or other entity which is in control of or controlled by, or under common control by the same person as, the Issuer or any other Affiliate of the Issuer. For purposes of the preceding sentence, "control" means the power to direct the management and policies of a person, firm, corporation or other entity through the ownership of a majority of its voting securities, the right to determine or elect a majority of the members of its board of directors or other governing body or by contract or otherwise.

This Letter of Credit shall automatically terminate at the close of business on the Termination Date.

This Letter of Credit is governed by, and construed in accordance with, the terms of the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the "ISP98"). This Letter of Credit shall be deemed made under the laws of the State, including Article 5 of the Uniform Commercial Code, and shall, as to matters not governed by the Uniform Customs, be governed and construed in accordance with the laws of the State. Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at TD Bank, N.A., [Address: ]; Attention: [ ] (or at any other office in the City and State of New York that we may designate by prior written notice to you), specifically referring to the number of this Letter of Credit.

This Letter of Credit is transferable in its entirety (but not in part) and may be successively transferred. Transfer of the available balance under this Letter of Credit to such transferee shall be effected by the presentation to us of this Letter of Credit accompanied by a certificate substantially in the form of Annex 5 attached hereto appropriately completed.

In connection with any drawing hereunder or transfer or substitution hereof, the Issuer shall pay the Bank a fee, in accordance with the Bank's schedule of customary fees for such transactions, in connection with the Bank's processing of such drawing, transfer or substitution.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Bonds, the Certificate and the Reimbursement Agreement), except only the annexes, the certificates and the drafts referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such annexes, such certificates and such drafts.

Very truly yours,

TD BANK, N.A.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SCHEDULE I  
TO LETTER OF CREDIT**

**LETTER OF CREDIT AMOUNT**

<u>SUBSERIES</u>	<u>PRINCIPAL PORTION</u>	<u>INTEREST PORTION</u>	<u>LETTER OF CREDIT AMOUNT</u>
D-4	\$100,000,000	\$863,014	\$100,863,014

PNC BANK, NATIONAL ASSOCIATION  
LETTER OF CREDIT NO. [\_\_\_\_\_]

FORM OF LETTER OF CREDIT

IRREVOCABLE LETTER OF CREDIT  
PNC BANK, NATIONAL ASSOCIATION

Letter of Credit No. [                    ]

October 16, 2013

The Bank of New York Mellon, as  
Tender Agent  
Attn: Corporate Trust Department  
Municipal Finance Northeast Unit  
101 Barclay Street, 8W  
New York, New York 10286

Dear Sirs:

We hereby establish, at the request and for the account of THE CITY OF NEW YORK, a New York municipal corporation (the “*Issuer*”), in favor of The Bank of New York Mellon, as Tender Agent, an Irrevocable Letter of Credit (the “*Letter of Credit*”). In accordance with the Certificate (including all attachments thereto, the “*Certificate*”) of the Deputy Comptroller for Public Finance of the Issuer, and pursuant to the provisions of the Constitution and laws of the State of New York (the “*State*”), the Issuer has issued its \$75,000,000 aggregate principal amount of the General Obligation Bonds, Fiscal 2014, Series D, Subseries D-5 (Adjustable Rate Bonds) (the “*Bonds*”) which mature on August 1, 2041. The Letter of Credit is for the benefit of the holders of the Bonds, is in the total amount of \$75,647,261 (as more fully described below), is effective as of the date hereof and expires on the Termination Date. As used herein, “*Termination Date*” shall mean the earliest to occur of (i) October 14, 2016, or the date to which the Letter of Credit may be extended by us substantially in the form of Annex 6, (ii) the date on which the Principal Portion of the Letter of Credit Amount is reduced to zero pursuant to the terms hereof (other than as a result of a Tender Drawing), (iii) the date five days after we receive notice in the form of Annex 4 hereto directing us to terminate the Letter of Credit, (iv) the date on which the Letter of Credit is surrendered by the Tender Agent to us for cancellation (after we honor any drawing made under the Letter of Credit made on the date thereof) and (v) the date which is eight days (or if such day is not a Business Day, the immediately succeeding Business Day) after the date on which you receive the Notice of Termination from us in the form of Annex 8 hereof.

Our obligation to make payments under this Letter of Credit shall be limited to the Letter of Credit Amount. The “*Letter of Credit Amount*” and the “*Principal Portion*” and “*Interest Portion*” thereof shall initially be the amounts set forth in Schedule I hereto, and shall thereafter, at any time, be equal to such amounts adjusted as set forth in this Letter of Credit. Notwithstanding any other provision of this Letter of Credit or the Reimbursement Agreement dated as of October 1, 2013 (as amended, supplemented, restated or otherwise modified from time to time, the “*Reimbursement Agreement*”) between the Issuer and us, at no time shall (i) the Principal Portion of the Letter of Credit Amount exceed the outstanding principal amount of the Bonds, (ii) the Interest Portion of the Letter of Credit Amount exceed 35 days interest at a per annum interest rate of 9% and a year of 365 days, or (iii) the Letter of Credit Amount exceed the sum of the amounts described in clause (i) and clause (ii) of this paragraph.

We hereby irrevocably authorize you to draw on us in accordance with the terms and conditions hereinafter set forth, by your draft, an aggregate amount not exceeding the Letter of Credit Amount, of which (i) an aggregate amount not exceeding the Principal Portion may be drawn with respect to payment of the portion of the purchase price equal to the principal amount of Bonds tendered or deemed tendered for purchase pursuant to the

**PNC BANK, NATIONAL ASSOCIATION**  
**LETTER OF CREDIT NO. [\_\_\_\_\_]**

Certificate (“*Tendered Bonds*”), pursuant to Annex 2 or 3 hereof, as appropriate, and (ii) an aggregate amount not exceeding the Interest Portion (but no more in the case of any drawing than an amount equal to the interest accrued on the Bonds for the 35 days immediately preceding the date on which such interest is to be paid) may be drawn with respect to payment of the portion of the purchase price of Tendered Bonds representing interest accrued thereon, pursuant to Annex 2 or 3 hereof, as appropriate. The Letter of Credit Amount shall be reduced (y) immediately upon any drawing hereunder by the amount of such drawing (each such drawing, or portion thereof, allocable to principal or interest, as the case may be, to result in a reduction of the Principal Portion or Interest Portion, as appropriate) and (z) effective upon receipt by us of a notice of reduction from the Tender Agent substantially in the form of Annex 4 to this Letter of Credit, by the amount specified in such notice, allocated between the Principal Portion and Interest Portion in accordance with such notice. We will pay drawings hereunder with our own funds.

Only you as Tender Agent, as the case may be, may make drawings under this Letter of Credit. Upon the payment to you or your account of the amount specified in a draft drawn hereunder, we shall be fully discharged on our obligations under this Letter of Credit with respect to such draft, and we shall not thereafter be obligated to make any further payments under this Letter of Credit in respect of such draft to you or to any other person, firm, corporation, or other entity who may have made to you or who makes to you a demand for payment of principal of or interest on any Bond or the purchase price thereof.

Upon our receipt from you of a notice in the form of Annex 7 with respect to the sale of any Tendered Bond held by us or for our account through you, as Tender Agent, in accordance with Section 2(b)(ii) of the Reimbursement Agreement, the Principal Portion and Interest Portion previously drawn pursuant to a drawing under the Certificate relating to (i) Optional Tenders or (ii) Mandatory Tenders (in either case, a “*Tender Drawing*”) with respect to such Tendered Bonds shall be automatically reinstated in the amount set forth in such Annex 7 to the extent such amount is actually received by us. Subject to the preceding sentence, drawings in respect of payments hereunder honored by us shall not, in the aggregate, exceed the Letter of Credit Amount as hereinabove provided.

Funds under this Letter of Credit are available to you against (a) your draft in the form of Annex 1 hereto, appropriately completed and (b) (i) if the drawing is being made with respect to a Mandatory Tender pursuant to the Certificate, a certificate signed by you in the form of Annex 2 attached hereto appropriately completed and (ii) if a drawing is being made with respect to an Optional Tender pursuant to the Certificate, a certificate signed by you in the form of Annex 3 attached hereto appropriately completed. Such draft(s) and certificate(s) shall be dated the date of presentation. The original of each such draft and certificate shall be filed at our office located at PNC Bank, National Association, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, Attention: \_\_\_\_\_ (or at any other office which may be designated by written notice delivered to you). If we receive your draft(s) and certificate(s) at such office, all in strict conformity with the terms and conditions of this Letter of Credit, prior to 12:15 P.M. (New York City time) on a Business Day on or prior to the Termination Date, we will honor the same (to the extent required by this Letter of Credit) by making payment in accordance with your payment instructions in immediately available funds by 2:30 P.M. (New York City time) on the Purchase Date. The “*Purchase Date*” for any drawing shall be the date specified in the applicable draft; but in no event shall the Purchase Date be (i) before the day the draft and certificate are received by the Bank or on the same day the draft and certificate are received if such draft and certificate are received by the Bank at or after 12:15 P.M. (New York City time) or (ii) after the Termination Date.

Each draft and certificate may be delivered to us in person, by mail, by a delivery service or by telecopy transmission at such number as is indicated below or as we shall notify you in writing from time to time. Such a draft or certificate shall be deemed to have been presented on the date actually received by us. Any draft or certificate you submit to us by telecopy transmission (with the original of any such draft or certificate to be delivered to us on the next succeeding Business Day) shall be sent to ( \_\_\_\_\_ ) \_\_\_\_\_, Attention:

**PNC BANK, NATIONAL ASSOCIATION**  
**LETTER OF CREDIT NO. [\_\_\_\_\_]**

Operations. We shall have no duty to and will not examine original documents confirming presentation by telecopy.

As used herein or in the Annexes hereto, (i) “*Business Day*” means a day other than (a) a Saturday and Sunday or (b) a day on which the City, the New York Stock Exchange or banks in New York, New York, are authorized or required to remain closed; and (ii) “*Affiliate of the Issuer*” means any person, firm, corporation or other entity which is in control of or controlled by, or under common control by the same person as, the Issuer or any other Affiliate of the Issuer. For purposes of the preceding sentence, “*control*” means the power to direct the management and policies of a person, firm, corporation or other entity through the ownership of a majority of its voting securities, the right to determine or elect a majority of the members of its board of directors or other governing body or by contract or otherwise.

This Letter of Credit shall automatically terminate at the close of business on the Termination Date.

To the extent not inconsistent with the express terms hereof, this Letter of Credit shall be governed by, and construed in accordance with, the terms of the Uniform Customs and Practices for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600 (the “*UCP*”), except for Article 32 and the second sentence of subsection (d) of Article 38 thereof. As to matters not governed by the UCP, this Letter of Credit shall be governed by and construed in accordance with the internal laws of the State, including Article 5 of the Uniform Commercial Code as in effect in the State. Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at PNC Bank, National Association, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, Attention: \_\_\_\_\_ (or at any other office that we may designate by prior written notice to you), specifically referring to the number of this Letter of Credit.

This Letter of Credit is transferable in its entirety (but not in part) and may be successively transferred. Transfer of the available balance under this Letter of Credit to such transferee shall be effected by the presentation to us of this Letter of Credit accompanied by a certificate substantially in the form of Annex 5 attached hereto appropriately completed.

In connection with any drawing hereunder or transfer or substitution hereof, the Issuer shall pay the Bank a fee, in accordance with the Bank’s schedule of customary fees for such transactions, in connection with the Bank’s processing of such drawing, transfer or substitution.

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**PNC BANK, NATIONAL ASSOCIATION**  
**LETTER OF CREDIT NO. [\_\_\_\_\_]**

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except only the annexes, the certificates and the drafts referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such annexes, such certificates and such drafts.

Very truly yours,

PNC BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name:  
Title:

PNC BANK, NATIONAL ASSOCIATION  
LETTER OF CREDIT No. [\_\_\_\_\_]

SCHEDULE 1  
To  
PNC BANK, NATIONAL ASSOCIATION  
LETTER OF CREDIT  
No. [ \_\_\_\_\_ ]

LETTER OF CREDIT AMOUNT

<u>SUBSERIES</u>	<u>MATURITY</u>	<u>PRINCIPAL PORTION</u>	<u>INTEREST PORTION</u>	<u>LETTER OF CREDIT AMOUNT</u>
D-5	August 1, 2041	\$75,000,000	\$647,261	\$75,647,261



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