NEW ISSUE

In the opinion of Fulbright & Jaworski LLP, Bond Counsel to the Authority for Tax Matters, interest on the Adjustable Rate Bonds will be exempt from personal income taxes imposed by the State of New York (the "State") or any political subdivision thereof, including The City of New York (the "City"), and assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended, as described herein, interest on the Adjustable Rate Bonds will be excludable from the gross income of the owners thereof for federal income tax purposes. See "SECTION IV: TAX MATTERS" herein for further information.

$75,000,000
New York City Transitional Finance Authority
Future Tax Secured Tax-Exempt Subordinate Bonds
Fiscal 2014 Subseries B-3
(Adjustable Rate Bonds)

Dated: Date of Delivery — Due: November 1, 2042
CUSIP Number[(1)]: 64971WCT5 — Price: 100%

The Future Tax Secured Tax-Exempt Subordinate Bonds (Adjustable Rate Bonds), Fiscal 2014 Subseries B-3 (the "Adjustable Rate Bonds") are being issued by the New York City Transitional Finance Authority (the "Authority") pursuant to the New York City Transitional Finance Authority Act, as amended (the "Act"), and the Amended and Restated Original Indenture, as restated December 1, 2010, as supplemented (the "Indenture"), by and between the Authority and The Bank of New York Mellon, New York, New York, as Trustee (the "Trustee").

The Adjustable Rate Bonds will bear interest initially at a Daily Rate.

In addition to the Adjustable Rate Bonds, the Authority expects to issue its $905,000,000 Future Tax Secured Subordinate Bonds, Fiscal 2014 Subseries B-1, Subseries B-2 and Series C (collectively, the "Fixed Rate Bonds") on February 4, 2014. The Fixed Rate Bonds were offered by a separate offering circular. Simultaneously with the issuance of the Fixed Rate Bonds and the Adjustable Rate Bonds, the Authority will convert a portion of its outstanding adjustable rate Future Tax Secured Bonds, Fiscal 2001 Series B in an aggregate principal amount of $41,140,000 (the "Reoffered Bonds") to bear interest at fixed rates to maturity. The Reoffered Bonds were reoffered by a separate reoffering circular.

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

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

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

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

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

The Adjustable Rate Bonds are subject to optional and mandatory tender under the circumstances described herein. Payment of the Purchase Price of the Adjustable Rate Bonds tendered for purchase as described herein and not remarketed will be made pursuant and subject to the terms of the Standby Bond Purchase Agreement, dated as of February 4, 2014 (the "Liquidity Facility"), described herein, between the Authority and Barclays Bank PLC (the "Bank"), the Liquidity Provider for the Adjustable Rate Bonds. The Liquidity Facility is scheduled to terminate on February 4, 2016. See "SECTION II: THE ADJUSTABLE RATE BONDS — Liquidity Provider." **The Liquidity Facility is subject to immediate termination without notice upon the occurrence of certain events, as described herein**. See "SECTION II: THE ADJUSTABLE RATE BONDS — Liquidity Facility".

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

The Adjustable Rate Bonds are being offered, subject to prior sale, when, as and if issued by the Authority and accepted by the Underwriter. The issuance of the Adjustable Rate Bonds is subject to the approval of legality of the Adjustable Rate Bonds and certain other matters by Sidley Austin LLP, New York, New York, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by Fulbright & Jaworski LLP, New York, New York, a member of Norton Rose Fulbright, Bond Counsel to the Authority for Tax Matters, and by the New York City Corporation Counsel. Certain legal matters will be passed upon for the Underwriter by its co-counsel, Hawkins Delafield & Wood LLP, New York, New York and Gonzalez Saggio & Harlan LLP, New York, New York. It is expected that the Adjustable Rate Bonds will be available for delivery in New York, New York, on or about February 4, 2014.

Barclays

January 30, 2014

[(1)] Copyright, American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Adjustable Rate Bonds and neither the Authority nor the Underwriter makes any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Adjustable Rate Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Adjustable Rate Bonds.

RATE PERIOD TABLE
FOR THE ADJUSTABLE RATE BONDS[(1)]

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

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

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

The Remarketing Agent for the Adjustable Rate Bonds is Barclays Capital Inc.

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(1) The Adjustable Rate Bonds will bear interest initially at a Daily Rate.

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

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

The information in "APPENDIX C" has been provided by the Bank, and such appendix has not been independently confirmed or verified by the Authority or the Underwriter. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material changes in such information subsequent to the date hereof.

This Offering Circular includes 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 and the amount of Tax Revenues, the inclusion by specific reference in this Offering Circular of such forecasts, projections and estimates should not be regarded as a representation by the Authority or the Underwriter that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results.

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

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

DELOITTE & TOUCHE LLP, THE AUTHORITY'S INDEPENDENT AUDITOR, HAS NOT REVIEWED, COMMENTED ON OR APPROVED, AND IS NOT ASSOCIATED WITH, THIS OFFERING CIRCULAR. THE REPORT OF DELOITTE & TOUCHE LLP RELATING TO THE AUTHORITY'S FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2013 AND 2012, WHICH IS A MATTER OF PUBLIC RECORD, IS INCLUDED BY SPECIFIC REFERENCE IN THIS OFFERING CIRCULAR. HOWEVER, DELOITTE & TOUCHE LLP HAS NOT PERFORMED ANY PROCEDURES ON ANY FINANCIAL STATEMENTS OR OTHER FINANCIAL INFORMATION OF THE AUTHORITY, INCLUDING WITHOUT LIMITATION ANY OF THE INFORMATION INCLUDED BY SPECIFIC REFERENCE IN THIS OFFERING CIRCULAR, SINCE THE DATE OF SUCH REPORT AND HAS NOT BEEN ASKED TO CONSENT TO THE INCLUSION BY SPECIFIC REFERENCE OF ITS REPORT IN THIS OFFERING CIRCULAR.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE ADJUSTABLE RATE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

OFFERING CIRCULAR
OF
NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

INTRODUCTORY STATEMENT

This Offering Circular of the New York City Transitional Finance Authority (the "Authority") sets forth information concerning the Authority in connection with the sale of the Authority's $75,000,000 aggregate principal amount of Future Tax Secured Tax-Exempt Subordinate Bonds (Adjustable Rate Bonds), Fiscal 2014 Subseries B-3 (the "Adjustable Rate Bonds"). In addition to the Adjustable Rate Bonds, the Authority expects to issue its $905,000,000 Future Tax Secured Subordinate Bonds, Fiscal 2014 Subseries B-1, Subseries B-2 and Series C (collectively, the "Fixed Rate Bonds") on February 4, 2014. The Fixed Rate Bonds were offered by a separate offering circular. Simultaneously with the issuance of the Fixed Rate Bonds and the Adjustable Rate Bonds, the Authority will convert a portion of its outstanding adjustable rate Future Tax Secured Bonds, Fiscal 2001 Series B in an aggregate principal amount of $41,140,000 (the "Reoffered Bonds") to bear interest at fixed rates to maturity. The Reoffered Bonds were reoffered by a separate reoffering circular. Portions of the Authority's Offering Circular, dated January 17, 2014, relating to the Fixed Rate Bonds (the "Fixed Rate Offering Circular") are included herein by specific reference. See "SECTION I: INCLUSION BY SPECIFIC REFERENCE" herein.

The Authority is a corporate governmental agency constituting a public benefit corporation and an instrumentality of the State of New York (the "State") created by the New York City Transitional Finance Authority Act, as amended (the "Act"). In 2006, the Act was amended pursuant to Part A-3 of Chapter 58 of the Laws of New York, 2006 (the "School Financing Act") which authorizes the Authority to issue Bonds to finance a portion of the City's educational facilities capital plan ("Building Aid Revenue Bonds") and authorizes the City to assign to the Authority all or any portion of the State aid payable to the City or its school district pursuant to subdivision 6 of Section 3602 of the State Education Law, or any successor provision of State Law ("State Building Aid"). Building Aid Revenue Bonds are not secured by Tax Revenues.

The Adjustable Rate Bonds are being issued pursuant to the Act and the Amended and Restated Original Indenture, as restated December 1, 2010, as supplemented (the "Indenture"), by and between the Authority and The Bank of New York Mellon, New York, New York, as Trustee (the "Trustee"). The Authority and the City of New York (the "City") entered into a Financing Agreement (the "Agreement"), dated October 1, 1997, as amended, supplemented and in effect from time to time, which provides for the application of the Authority's Bond proceeds to fund capital expenditures of the City and Recovery Costs (as defined in the Indenture) and includes various covenants of the City. A summary of certain provisions of the Indenture and the Agreement, including certain defined terms used therein and in this Offering Circular, is contained in "APPENDIX A — SUMMARY OF INDENTURE AND AGREEMENT" referenced in "SECTION I: INCLUSION BY SPECIFIC REFERENCE" herein.

The Adjustable Rate Bonds will be issued as Parity Debt. The Adjustable Rate Bonds are payable from Tax Revenues of the Authority which are derived from Personal Income Tax Revenues and Sales Tax Revenues subordinate to Senior Debt Service and operating expenses of the Authority and on a parity with the Authority's Recovery Obligations and Subordinate Bonds issued on a parity with the Authority's Recovery Obligations. See "SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS" referenced in "SECTION I: INCLUSION BY SPECIFIC REFERENCE" herein.

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

SECTION I: INCLUSION BY SPECIFIC REFERENCE

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

SECTION II:	SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS
SECTION III:	ECONOMIC AND DEMOGRAPHIC INFORMATION
SECTION IV:	THE FIXED RATE BONDS — Debt Service Requirements
SECTION VI:	LITIGATION
SECTION X:	FINANCIAL ADVISORS
SECTION XI:	FINANCIAL STATEMENTS
SECTION XII:	CONTINUING DISCLOSURE UNDERTAKING
SECTION XV:	LEGAL INVESTMENT
SECTION XVI:	MISCELLANEOUS
APPENDIX A:	SUMMARY OF INDENTURE AND AGREEMENT
APPENDIX B:	FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
APPENDIX C:	VARIABLE RATE BONDS

The Fixed Rate Bonds described in the Fixed Rate Offering Circular are not being offered by this Offering Circular. In addition, all references to the Fixed Rate Bonds or the Future Tax Secured Bonds in the information included under the foregoing captions of the Fixed Rate Offering Circular shall include the Adjustable Rate Bonds, except for references to the Fixed Rate Bonds under the caption "SECTION IV: THE FIXED RATE BONDS — Debt Service Requirements."

SECTION II: THE ADJUSTABLE RATE BONDS

General

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

The Adjustable Rate Bonds are subject to optional and mandatory tender under the circumstances described herein. Payment of the Purchase Price of the Adjustable Rate Bonds tendered for purchase as described herein and not remarketed will be made pursuant and subject to the terms of the Standby Bond Purchase Agreement, dated as of February 4, 2014 (the "Liquidity Facility"), described herein, between the Authority and Barclays Bank PLC (the "Bank"), the Liquidity Provider for the Adjustable Rate Bonds. The Liquidity Facility is scheduled to terminate on February 4, 2016. See "SECTION II: THE ADJUSTABLE RATE BONDS — Liquidity Provider." **The Liquidity Facility is subject to immediate termination without notice upon the occurrence of certain events, as described herein**. See "SECTION II: THE ADJUSTABLE RATE BONDS — Liquidity Facility."

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

including optional and mandatory tender provisions, see the inside cover page, "APPENDIX A — DEFINITIONS" and "APPENDIX B — ADJUSTABLE RATE BONDS."

Liquidity Facility

General. The following summary of the Liquidity Facility does not purport to be comprehensive or definitive and is subject to all of the terms and provisions of the Liquidity Facility to which reference is made hereby. Investors should obtain and review a copy of the Liquidity Facility in order to understand all of the terms of that document. A copy of the Liquidity Facility will be available on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System (www.emma.msrb.org) or may be obtained from the Remarketing Agent.

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

Upon compliance with the terms and conditions of the Liquidity Facility, and subject to the terms and conditions set forth therein, the Bank is obligated to purchase, during the Purchase Period (as defined in the Liquidity Facility), the Adjustable Rate Bonds tendered or deemed tendered from time to time pursuant to an optional or mandatory tender by owners thereof, in each case, to the extent such applicable Adjustable Rate Bonds are not remarketed by the Remarketing Agent. Under the Liquidity Facility, the Bank is initially obligated to make available an amount equal to the then outstanding aggregate principal amount of the Adjustable Rate Bonds plus 35 days' interest thereon at the rate of 9% per annum (together, the "Available Commitment"). To the extent that the Bank purchases Adjustable Rate Bonds under the Liquidity Facility, the Available Commitment will be reduced by the principal amount of and accrued interest on the Adjustable Rate Bonds so purchased, subject to reinstatement upon remarketing of such purchased Adjustable Rate Bonds in accordance with the provisions of the Liquidity Facility. The Liquidity Facility will expire on February 4, 2016, unless extended or terminated pursuant to its terms.

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

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

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

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

Certain Events of Default. The Liquidity Facility includes events of default ("Events of Default"). Certain of such Events of Default will result in immediate termination or suspension of the Bank's obligation under the Liquidity Facility as described below. Other Events of Default may result in mandatory tender of the Adjustable Rate Bonds. Reference is made to the Liquidity Facility for a complete listing of all Events of Default.

Each of the following Events of Default constitutes an "Event of Termination:"

(a) The Authority shall fail, (i) to make timely payment of principal of, interest on or redemption premium, if any, required to be made on the Adjustable Rate Bonds (including the Purchased Bonds, as defined in the Liquidity Facility) (other than a failure to pay principal or interest on Purchased Bonds which has become immediately due and payable as a result of the acceleration of Purchased Bonds pursuant to the Liquidity Facility), or (ii) to make timely payments or repayments of any Parity Debt (as defined in the Liquidity Facility) (other than failure to pay the principal of any bonds purchased by a Person (as defined in the Liquidity Facility) providing a letter of credit, reimbursement agreement, liquidity facility or similar instrument pursuant to a liquidity drawing thereunder, which principal has been accelerated and is immediately due and payable after the occurrence of an event of default under any such agreement); provided, however, that no such failure to pay shall constitute an Event of Default if (1) such failure to pay was caused solely by an error or omission of an administrative or operational nature, (2) funds were available to enable the Authority to make such payment when due and (3) such payment is made within two (2) Business Days after the Authority's actual knowledge of such failure to pay;

(b) (i) The Authority shall (A) commence a voluntary case or other proceeding seeking liquidation, reorganization, arrangement, adjustment, winding-up, dissolution, composition or other similar relief with respect to itself or its indebtedness under any bankruptcy, insolvency, reorganization or other similar law for the relief of debtors now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official for it or a substantial part of its property, (B) 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, (C) make a general assignment for the benefit of creditors, (D) admit in writing its inability to pay its indebtedness as it becomes due, or (E) take (through an authorized officer or representative) any official action to authorize any of the foregoing; or (ii) any of the following shall occur with respect to the Authority: (A) an involuntary case or other proceeding shall be commenced against the Authority seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and either (y) the Authority shall consent in writing to such action or (z) such case shall not be dismissed within sixty (60) days, (B) an order for relief shall be entered against the Authority under the federal bankruptcy laws as now or hereafter in effect or pursuant to any other State or federal laws concerning insolvency or of similar purpose, (C) a final and non-appealable debt moratorium, debt adjustment, debt restructuring or comparable extraordinary restriction with respect to the payment of principal or interest on the indebtedness of the Authority shall be declared or imposed pursuant to a finding or ruling by the Authority, the United States of America, the State, any instrumentality thereof or any other governmental authority of competent jurisdiction over the Authority, or (D) the issuance, under the laws of any state or under the laws of the United States of America, of an order of rehabilitation, liquidation or dissolution of the Authority;

(c) A final, nonappealable judgment shall be issued by a court of competent jurisdiction that the Adjustable Rate Bonds or any provision of the Liquidity Facility or of the Indenture relating to the payment of principal of or interest on the Adjustable Rate Bonds shall cease for any reason to be valid and binding;

(d) (i) The Authority shall initiate legal proceedings or assert in legal proceedings that the Adjustable Rate Bonds or any material provision of the Liquidity Facility or of the Indenture relating to the payment of principal of or interest on the Adjustable Rate Bonds is invalid or that the Authority has no liability thereon or (ii) a senior officer of the Authority shall, in writing, (A) claim that the Indenture is not valid or binding on the Authority or (B) repudiate its obligations under the Liquidity Facility, the Adjustable Rate Bonds or the Indenture or its obligation to pay or repay any Parity Debt;

(e) A final, nonappealable money judgment shall be entered by a court or other regulatory body of competent jurisdiction against the Authority in an amount in excess of fifty million dollars ($50,000,000)

and the Authority shall have failed to satisfy said money judgment within seventy-five (75) days from the first date when said judgment shall become enforceable and subject to collection in accordance with its terms; and

(f) The ratings assigned by each of Moody's, S&P and Fitch to the Adjustable Rate Bonds or any unenhanced Parity Debt are withdrawn or suspended (for a credit-related reason) or reduced below "Baa3," "BBB-" and "BBB-," respectively.

Remedies. The Bank may immediately terminate or suspend its obligations under the Liquidity Facility or give notice of mandatory tender of the Adjustable Rate Bonds, as applicable, upon the occurrence of an Event of Default as described below:

Termination. In the case of an Event of Termination, the Available Commitment and the obligation of the Bank under the Liquidity Facility to purchase the Adjustable Rate Bonds shall immediately terminate without notice or demand to any Person, and thereafter the Bank shall be under no obligation to purchase such Adjustable Rate Bonds. Promptly upon the occurrence of such Event of Termination, the Bank shall give written notice of the same to the Authority, the Tender Agent and the Remarketing Agent, but the Bank shall incur no liability or responsibility by reason of its failure to give such notice and such failure shall in no way affect the termination of the Available Commitment and its obligation to purchase such Adjustable Rate Bonds pursuant to the Liquidity Facility.

Suspension. If a judgment that is appealable or otherwise not final shall be issued by a court of competent jurisdiction that the Adjustable Rate Bonds or any provision of the Liquidity Facility or of the Indenture relating to the payment of principal of or interest on the Adjustable Rate Bonds shall cease for any reason to be valid and binding and such judgment has not been overturned or stayed upon appeal within 30 days after issuance thereof (the "Suspension Event"), the Available Commitment and the obligation of the Bank under the Liquidity Facility to purchase the Adjustable Rate Bonds each shall be suspended without notice or demand to any Person, and thereafter the Bank shall be under no obligation to purchase the Adjustable Rate Bonds, until such obligation is reinstated as specified in the Liquidity Facility. The Available Commitment and the obligation of the Bank under the Liquidity Facility immediately shall be reinstated and the terms of the Liquidity Facility will continue in full force and effect (unless the Liquidity Facility shall otherwise have terminated by its terms) as if there had been no such suspension if the Suspension Event is cured prior to becoming an Event of Termination.

Mandatory Tender. Upon the occurrence of any Event of Default other than an Event of Termination or the Suspension Event (a "Notice Termination Event"), the Bank, in its sole discretion, may (x) give written notice (a "Notice of Default") of such Notice Termination Event under the Liquidity Facility to the Remarketing Agent and the Tender Agent requesting a mandatory tender of all of the Adjustable Rate Bonds pursuant to the Indenture and stating that the obligation of the Bank to purchase such Adjustable Rate 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 Bank shall be under no obligation under the Liquidity Facility to purchase such Adjustable Rate Bonds after such date or (y) give a written notice to the Authority directing the Authority to convert to a rate that is not an Eligible Rate (as defined in the Liquidity Facility) all or any portion of the Adjustable Rate Bonds. Upon conversion to a rate other than an Eligible Rate, the Bank agrees to purchase the Adjustable Rate Bonds so converted and not remarketed, subject to and in accordance with the terms of the Liquidity Facility.

Liquidity Provider

For information concerning the Bank, see "APPENDIX C — BARCLAYS BANK PLC." Neither the Authority nor the Underwriter is responsible for the accuracy of the information contained herein describing the Bank.

Special Considerations Relating to the Adjustable Rate Bonds

The Remarketing Agent is Paid by the Authority. The responsibilities of the Remarketing Agent include determining the interest rate from time to time and remarketing the Adjustable Rate Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Indenture and the Remarketing Agreement), all as further described in this Offering Circular. The Remarketing Agent is appointed by the Authority

and is paid by the Authority for its services. As a result, the interests of the Remarketing Agent may differ from those of existing Holders and potential purchasers of Adjustable Rate Bonds.

The Remarketing Agent Routinely Purchases Variable Rate Demand Obligations for its Own Account. The Remarketing Agent acts as a remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, routinely purchases such obligations for its own account. The Remarketing Agent is permitted, but not obligated, to purchase tendered Adjustable Rate Bonds for its own account and, in its sole discretion, may routinely acquire such tendered Adjustable Rate Bonds in order to achieve a successful remarketing of such Adjustable Rate Bonds (i.e., because there otherwise are not enough buyers to purchase the Adjustable Rate Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase Adjustable Rate Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Adjustable Rate Bonds by routinely purchasing and selling Adjustable Rate Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Adjustable Rate Bonds. The Remarketing Agent may also sell any Adjustable Rate 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 Adjustable Rate Bonds. The purchase of the Adjustable Rate Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the Adjustable Rate Bonds in the market than is actually the case. The practices described above also may result in fewer Adjustable Rate Bonds being tendered in a remarketing.

Adjustable Rate Bonds May be Offered at Different Prices on Any Date Including an Interest Rate Determination Date. Pursuant to the Indenture and the Remarketing Agreement, the 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 Adjustable Rate 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 the Adjustable Rate Bonds (including whether the Remarketing Agent is willing to purchase Adjustable Rate Bonds for its own account). There may or may not be Adjustable Rate Bonds tendered and remarketed on an interest rate determination date, the Remarketing Agent may or may not be able to remarket any Adjustable Rate Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Adjustable Rate Bonds outside the tender process at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Adjustable Rate Bonds it remarkets at the remarketing price. In the event the Remarketing Agent owns any Adjustable Rate Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Adjustable Rate Bonds on any date, including an interest rate determination date, at a discount to par to some investors.

The Ability to Sell the Adjustable Rate Bonds Other Than Through the Tender Process May Be Limited. The Remarketing Agent may buy and sell Adjustable Rate 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 Adjustable Rate Bonds to do so through the Tender Agent with appropriate notice. Thus, investors who purchase the Adjustable Rate Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Adjustable Rate Bonds other than by tendering the Adjustable Rate Bonds in accordance with the tender process.

Optional Redemption

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

Mandatory Redemption

The Adjustable Rate Bonds are Term Bonds subject to mandatory redemption upon 30 days' (but not more than 60 days') notice to Bondholders, by lot, on each November 1 (or other Mandatory Redemption Date specified

in the applicable Rate Mode) at a redemption price equal to the principal amount thereof, plus accrued interest, without premium, in the amounts set forth below:

November 1,	Amount
2040	$ 9,870,000
2041	39,160,000
2042[(1)]	25,970,000

[(1)] Stated maturity.

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

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

Use of Proceeds

The proceeds of the Adjustable Rate Bonds will be used to finance general City capital expenditures. Certain expenses of the Authority incurred in connection with the issuance and sale of the Adjustable Rate Bonds will be paid from the proceeds of the Adjustable Rate Bonds.

Book-Entry Only System

Beneficial ownership interests in the Authority's bonds and notes (the "Securities") will be available in book-entry only form. References to the Securities under this caption "Book-Entry Only System" shall mean all Adjustable Rate Bonds held in the United States through DTC. Purchasers of beneficial ownership interests in the Securities will not receive certificates representing their interests in the Securities purchased.

DTC, New York, New York, will act as securities depository for the Securities. The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each principal amount of Securities maturing on a specific date and bearing interest at a specific interest rate, each in the aggregate principal amount of such quantity of Security, and will be deposited with DTC.

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

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

satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Remarketing Agent's DTC account.

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

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

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

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

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC, AND NEITHER THE AUTHORITY NOR THE UNDERWRITER MAKES ANY REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Other Information

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

SECTION III: THE AUTHORITY

Purpose and Operations

The Authority is a corporate governmental agency constituting a public benefit corporation and an instrumentality of the State created to issue and sell its Bonds and Notes to fund a portion of the capital program of the City, as requested by the Mayor.

The Authority does not have any significant assets or sources of funds other than the Tax Revenues and State Building Aid and amounts on deposit pursuant to the Indenture. The Bonds will not be insured or guaranteed by the City or the State. Consequently, holders of the Bonds must rely for repayment solely upon the sources of payment described herein.

The Authority is not authorized by State law to file a petition in bankruptcy.

Directors and Management

The Authority is administered by five directors, consisting of the Director of Management and Budget of the City, the Comptroller of the City, the Speaker of the City Council, the Commissioner of Finance of the City and the Commissioner of the Department of Design and Construction of the City. Three directors constitute a quorum for the transaction of business or the exercise of any power of the Authority. A favorable vote of at least three directors present at a meeting where such action is taken is necessary to approve any action, including the issuance of Bonds or Notes of the Authority or to authorize any amendatory or supplemental indenture or financing agreement of the Authority relating to such issuance. The current directors of the Authority, each of whom serves in an ex-officio capacity, are:

Dean A. Fuleihan, Chairperson	—	Director of Management and Budget of the City
Beth E. Goldman	—	Commissioner of Finance of the City
Scott M. Stringer	—	Comptroller of the City
David Resnick	—	Acting Commissioner of the Department of Design and Construction of the City
Melissa Mark-Viverito	—	Speaker of the City Council

The following is a brief description of certain officers and staff members of the Authority:

Alan L. Anders, Executive Director

Mr. Anders was appointed Treasurer in April 1997 and subsequently was appointed Executive Director in June 2006. Mr. Anders also serves as Deputy Director for Finance of the Office of Management and Budget of the City. Prior to joining the City in September 1990, Mr. Anders was a senior investment banker for J.P. Morgan Securities since 1977 and prior to that date was Executive Director of the Commission on Governmental Efficiency and Economy in Baltimore, Maryland. Mr. Anders is a graduate of the University of Pennsylvania and the University of Maryland Law School.

Prescott D. Ulrey, Secretary

Mr. Ulrey was appointed Assistant Secretary in 1998, and subsequently was appointed General Counsel in 2000 and Secretary in 2013. He is a graduate of the University of California at Berkeley, the Fletcher School of Law and Diplomacy at Tufts University and Columbia Law School. He also serves as General Counsel at the Office of Management and Budget of the City.

F. Jay Olson, Treasurer

Mr. Olson was appointed Assistant Treasurer in 2000, and subsequently was appointed Treasurer in 2006. He is a graduate of Northwestern University, the University of Texas at Austin, and the John F. Kennedy School of Government at Harvard University. He also serves as Assistant Director at the Office of Management and Budget of the City.

Philip Wasserman, Deputy Treasurer

Mr. Wasserman was appointed Deputy Treasurer in 2009. He is a graduate of Cornell University, the University of Texas at Austin and Columbia University. He also serves as Assistant Director at the Office of Management and Budget of the City. He is also a Professional Engineer.

Robert L. Balducci, Deputy Comptroller

Mr. Balducci was appointed Assistant Comptroller in 2009, and subsequently was appointed Deputy Comptroller in 2011. He is a graduate of Baruch College of the City University of New York. He also serves as Assistant Director at the Office of Management and Budget of the City.

Kemraj Narine, Assistant Comptroller

Mr. Narine was appointed Assistant Comptroller in 2011. He is a graduate of York College of the City University of New York. He also serves as Deputy Assistant Director at the Office of Management and Budget of the City.

Al Rodriguez, Assistant Secretary

Mr. Rodriguez was appointed Assistant Secretary in 2013. He is a graduate of the University of New Mexico and Columbia Law School. He also serves as Chief of the Municipal Finance Division of the New York City Law Department.

Jeffrey M. Werner, Assistant Secretary

Mr. Werner was appointed Assistant Secretary in 2013. He is a graduate of Bowdoin College and Columbia Law School. He also serves as Deputy General Counsel at the Office of Management and Budget of the City.

Laura A. Tarbox, Assistant Treasurer

Ms. Tarbox was appointed Assistant Treasurer in 2014. She is a graduate of Cornell University. She also serves as Supervising Analyst at the Office of Management and Budget of the City.

The office of the Comptroller of the Authority is currently vacant.

Other Authority Obligations

Assuming conditions specified in the Act and the Indenture are met and subject to the limitations described below, the Act authorizes the Authority to issue Future Tax Secured Bonds for general City capital purposes and for refunding of Future Tax Secured Bonds. The Act has been amended several times to increase the amount of debt the Authority is authorized to issue. The Act was last amended by Chapter 182 of the Laws of New York, 2009, which permits the Authority to have outstanding $13.5 billion of Future Tax Secured Bonds (including Senior Bonds and Parity Debt but excluding Recovery Obligations). In addition, Chapter 182 permits the Authority to issue additional Future Tax Secured Bonds provided that the amount of such additional bonds, together with the amount of indebtedness contracted by the City, does not exceed the debt limit of the City. As of December 31, 2013, the City's and the Authority's combined debt-incurring capacity was approximately $23.1 billion. The statutory debt limits are binding on the Authority but are not covenants with Bondholders and are subject to change by legislation adopted by the State.

The Authority's contracts with its Bondholders, including limitations on Senior Bonds, coverage tests and other restrictions on the issuance of additional Bonds, are set forth in the Indenture and summarized in "APPENDIX A — SUMMARY OF INDENTURE AND AGREEMENT" referenced in "SECTION I: INCLUSION BY SPECIFIC REFERENCE" herein. These contracts can be changed only in accordance with the provisions of the Indenture relating to the amendments thereto. For information relating to anticipated issuance of Future Tax Secured Bonds, see "—Plan of Finance."

The Act also permits the Authority to have outstanding an additional $2.5 billion of its Recovery Obligations. The School Financing Act authorizes the issuance of Building Aid Revenue Bonds of the Authority in an amount outstanding of up to $9.4 billion to finance portions of the City's educational facilities capital plan. Building Aid Revenue Bonds are secured by State Building Aid assigned by the City to the Authority. Building Aid Revenue Bonds are not secured by Tax Revenues.

The Authority has Outstanding $23,514,760,000 of Future Tax Secured Bonds consisting of $1,996,180,000 of Senior Bonds and $21,518,580,000 of Parity Debt (including $974,005,000 of Recovery Obligations), which are the only Subordinate Bonds payable from the Tax Revenues. Of such Senior Bonds, $1,137,600,000 are variable rate bonds. Of such Parity Debt, $2,292,200,000 are variable rate bonds. For further

information regarding the Authority's variable rate bonds, see "APPENDIX C — VARIABLE RATE BONDS" referenced in "SECTION I: INCLUSION BY SPECIFIC REFERENCE" herein.

The Authority has Outstanding $6,109,610,000 of Building Aid Revenue Bonds. The Authority expects to issue additional Building Aid Revenue Bonds in the future. All of the Building Aid Revenue Bonds are fixed rate bonds. Building Aid Revenue Bonds are not secured by Tax Revenues. Currently, the Authority has no Senior Agreements.

Plan of Finance

The Authority projects that it will issue approximately $2.8 billion, $2.9 billion, $2.5 billion and $2.3 billion during fiscal years 2014 through 2017, respectively, of Future Tax Secured Bonds for general City capital purposes. The Authority also expects to issue refunding bonds from time to time. The Authority may issue such Future Tax Secured Bonds as either Senior Bonds or Parity Debt or combinations thereof.

SECTION IV: TAX MATTERS

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

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

In the opinion of Tax Counsel, interest on the Adjustable Rate 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 Adjustable Rate 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 Adjustable Rate 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 Authority, to the effect that the Adjustable Rate Bonds have been duly authorized, executed and issued in accordance with the Constitution of the State and the Act and constitute valid and legally binding obligations of the Authority. 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 Adjustable Rate Bonds, or the ownership or the disposition of the Adjustable Rate 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 Adjustable Rate Bonds, the receipt of interest thereon or the ownership or disposition thereof, including, without limitation, the exclusion from gross income of interest on the Adjustable Rate 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 Authority and 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 Adjustable Rate Bonds is commenced, under current procedures the IRS is likely to treat the Authority as the "taxpayer," and the owners of the Adjustable Rate 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 Adjustable Rate Bonds, the Authority may have different or conflicting interests from the owners of the Adjustable Rate Bonds. Public awareness of any future audit of the Adjustable Rate Bonds could adversely affect the value and liquidity of the Adjustable Rate Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Tax Counsel expresses 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 Adjustable Rate Bonds. Prospective purchasers of the Adjustable Rate Bonds should be aware that the ownership of tax-exempt obligations such as the Adjustable Rate 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 Adjustable Rate 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 Adjustable Rate Bonds. Prospective purchasers of the Adjustable Rate Bonds should consult with their own tax advisors with respect to any proposed changes in tax law.

SECTION V: APPROVAL OF LEGALITY

The legality of the authorization of the Adjustable Rate Bonds will be affirmed by the approving legal opinion of Sidley Austin LLP, New York, New York, Bond Counsel to the Authority. Reference should be made to the form of such opinion as set forth in "APPENDIX D" hereto for the matters covered by such opinion and the scope of Bond Counsel's engagement in relation to the issuance of the Adjustable Rate Bonds.

The opinion of Fulbright & Jaworski LLP, New York, New York, a member of Norton Rose Fulbright, Bond Counsel to the Authority for Tax Matters, will be substantially in the form of "APPENDIX E" hereto. Reference should be made to the form of such opinion for the matters covered by such opinion and the scope of Fulbright & Jaworski LLP's engagement in relation to the issuance of the Adjustable Rate Bonds.

Certain legal matters are being passed upon for the Authority by the New York City Corporation Counsel.

Certain legal matters will be passed upon for the Underwriter by Hawkins Delafield & Wood LLP, New York, New York and Gonzalez Saggio & Harlan LLP, New York, New York, co-counsel for the Underwriter.

SECTION VI: UNDERWRITING

The Adjustable Rate Bonds are being purchased for reoffering by Barclays Capital Inc. as the Underwriter. The Underwriter has agreed, subject to certain conditions, to purchase the Adjustable Rate Bonds from the Authority at an underwriter's discount of $17,280.00 and to make an initial public offering of the Adjustable Rate Bonds at prices that are not in excess of the initial public offering price set forth on the cover page of this Offering Circular. The Underwriter will be obligated to purchase all the Adjustable Rate Bonds if any Adjustable Rate Bonds are purchased.

The Adjustable Rate Bonds may be offered and sold to certain dealers (including the Underwriter) at a price lower than such public offering price, and such public offering price may be changed from time to time by the Underwriter.

The Underwriter and its 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. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority for which they received or will receive customary fees and expenses.

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

The delivery of the Adjustable Rate Bonds is dependent upon the delivery of all of the Authority's Future Tax Secured Subordinate Bonds, Fiscal 2014 Subseries B-1 and Subseries B-2.

The delivery of this Offering Circular has been duly authorized by the Authority.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

APPENDIX A

DEFINITIONS

"*Adjustable Rate Bonds*" or "*Bonds*" means the Authority's Future Tax Secured Tax-Exempt Subordinate Bonds (Adjustable Rate Bonds), Fiscal 2014 Subseries B-3 that are in the Daily Rate Mode, the Two-Day Rate Mode or the Weekly Rate Mode.

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

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

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

"*Bank Bond*" means a Purchased Bond purchased by a Subseries Bank.

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

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

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

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

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

"*Conversion Notice*" means a notice of Conversion.

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

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

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

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

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

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

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

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

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

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

"*Fiduciary*" means each Trustee, Paying Agent or Tender Agent.

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

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

"*Issue Date*" means February 4, 2014.

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

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

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

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

"*Liquidity Provider*," "*Provider*," "*Standby Purchaser*," "*Subseries Bank*" or "*Bank*" means any provider of a Standby Agreement then in effect for the Adjustable Rate Bonds.

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

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

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

Maturity Month	Opposite Month
November	May

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

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

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

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

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

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

"*Purchase and Remarketing Fund*" means the Fiscal 2014 Subseries B-3 Purchase and Remarketing Fund established pursuant to the Indenture.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"*Tender Date*" means each Optional Tender Date or Mandatory Tender Date.

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

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

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

"*Trustee*" means The Bank of New York Mellon and its successors as the Authority's Trustee.

"*Two-Day Mode*" means a Rate Mode in which Adjustable Rate Bonds bear interest at a Two-Day Rate.

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

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

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

"*Weekly Rate Mode*" means a Rate Mode in which Adjustable Rate Bonds bear interest at a Weekly Rate.

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

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

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APPENDIX B

ADJUSTABLE RATE BONDS

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

General

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

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

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

Conversion

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

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

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

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

will bear interest in the Rate Mode previously in effect or, with a favorable opinion of Bond Counsel, any other Rate Mode selected by the Authority to which such Adjustable Rate 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 Adjustable Rate Bonds will extend beyond the scheduled Expiration Date of the Standby Agreement then in effect.

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

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

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

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

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

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

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

Optional Tender for Purchase

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

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

Mandatory Tender for Purchase

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

(a) on each Conversion Date;

(b) on a Business Day specified by the Tender Agent, at the direction of the Authority, which shall be not less than one Business Day prior to the substitution of a Standby Agreement or the Expiration Date of any Standby Agreement (which Standby Agreement will be drawn upon to pay the Purchase Price of unremarketed Tendered Bonds), unless a substitution is occurring and Rating Confirmation has been received from each Rating Agency; and

(c) on a Business Day specified by the Tender Agent, as identified by the Authority, but in any event not less than one Business Day prior to the Termination Date of the Standby Agreement then in effect with respect to a Subseries of Bonds specified in a Default Notice delivered in accordance with the Standby Agreement then in effect.

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

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

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

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

Bonds Deemed Purchased

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

Purchase Price and Payment

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

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

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

No Extinguishment

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

Liquidity Conditions

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

Bonds (nor shall such Bonds be subject to optional or mandatory tender for purchase) unless and until the Standby Purchaser's commitment is reinstated pursuant to the Liquidity Facility. Promptly upon the occurrence of such suspension condition, the Standby Purchaser shall notify the Authority, the Tender Agent and the Remarketing

Agent of such suspension in writing and the Tender Agent shall promptly relay such notice to the Bondholders upon receipt; but the Standby Purchaser shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the suspension of its obligation to purchase such Bonds. If the suspension condition shall be cured as described in the Liquidity Facility, the obligations of the Standby Purchaser under the Liquidity Facility shall be reinstated (unless the Standby Purchaser's obligations shall have expired or shall otherwise have been terminated or suspended as provided in the Liquidity Facility).

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

Inadequate Funds for Tender

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

Remarketing of Bonds Upon Tender

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

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

Defeasance

For the purpose of determining whether Adjustable Rate Bonds shall be deemed to have been defeased, the interest to come due on such Adjustable Rate Bonds shall be calculated at the Maximum Rate; and if, as a result of such Adjustable Rate Bonds having borne interest at less than the Maximum Rate for any period, the total amount on deposit for the payment of interest on such Adjustable Rate Bonds exceeds the total amount required, the balance shall be paid to the Authority. In addition, Adjustable Rate Bonds shall be deemed defeased only if there shall have been deposited money in an amount sufficient for the timely payment of the maximum amount of principal of and

interest on such Adjustable Rate Bonds that could become payable to the Bondholders upon the exercise of any applicable optional or mandatory tender for purchase.

Standby Agreements

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

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

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

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

The preceding is a summary of certain provisions expected to be included in the Standby Agreement and proceedings with respect to the Adjustable Rate Bonds, and is subject in all respects to the underlying documents, copies of which will be available for inspection during business hours at the office of the Trustee. Information regarding the Standby Purchaser is included herein as "APPENDIX C — BARCLAYS BANK PLC." Neither the Authority nor the Underwriter makes any representation with respect to the accuracy or completeness of the information in "APPENDIX C — BARCLAYS BANK PLC."

APPENDIX C

BARCLAYS BANK PLC

The information in this Appendix has been provided solely by the Bank and is believed to be reliable. This information has not been verified independently by the Authority or the Underwriter. The Authority and the Underwriter make no representation whatsoever as to the accuracy, adequacy or completeness of such information.

Barclays Bank PLC is a public limited company registered in England and Wales under number 1026167. The liability of the members of Barclays Bank PLC is limited. It has its registered head office at 1 Churchill Place, London, E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). Barclays Bank PLC was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays Bank was re-registered as a public limited company and its name was changed from "Barclays Bank International Limited" to "Barclays Bank PLC".

Barclays Bank PLC and its subsidiary undertakings (taken together, the "Group") is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group.

The short term unsecured obligations of Barclays Bank PLC are rated A-1 by Standard & Poor's Credit Market Services Europe Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the long-term obligations of Barclays Bank PLC are rated A by Standard & Poor's Credit Market Services Europe Limited, A2 by Moody's Investors Service Ltd. and A by Fitch Ratings Limited.

Based on the Group's audited financial information for the year ended 31 December 2012, the Group had total assets of £1,490,747 million (2011: £1,563,402 million), total net loans and advances[1] of £466,627 million (2011: £478,726 million), total deposits[2] of £462,806 million (2011: £457,161 million), and total shareholders' equity of £62,894 million (2011: £65,170 million) (including non-controlling interests of £2,856 million (2011: £3,092 million)). The profit before tax from continuing operations of the Group for the year ended 31 December 2012 was £99 million (2011: £5,974 million) after credit impairment charges and other provisions of £3,596 million (2011: £3,802 million). The financial information in this paragraph is extracted from the audited consolidated financial statements of Barclays Bank PLC for the year ended 31 December 2012.

Based on the Group's unaudited financial information for the six months ended 30 June 2013, the Group had total assets of £1,533 billion, total net loans and advances[1] of £516,949 million, total deposits[2] of £538,624 million, and total shareholders' equity of £59,394 million (including non-controlling interests of £2,620 million). The profit before tax from continuing operations of the Group for the six months ended 30 June 2013 was £1,648 million after credit impairment charges and other provisions of £1,631 million. The financial information in this paragraph is extracted from the unaudited Interim Results Announcement of Barclays Bank PLC for the six months ended 30 June 2013.

The delivery of the information concerning Barclays Bank PLC and the Group herein shall not create any implication that there has been no change in the affairs of Barclays Bank PLC and the Group since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to its date.

Barclays Bank PLC is responsible only for the information contained in this Appendix C of the Offering Circular and did not participate in the preparation of, or in any way verify the information contained in, any other part of the Offering Circular. Accordingly, Barclays Bank PLC assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of the Offering Circular.

[1] Total net loans and advances include balances relating to both bank and customer accounts.
[2] Total deposits include deposits from bank and customer accounts.

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APPENDIX D

PROPOSED FORM OF BOND COUNSEL OPINION

February 4, 2014

New York City Transitional Finance Authority

We have acted as bond counsel to the New York City Transitional Finance Authority (the "Authority"), a public benefit corporation organized under the laws of the State of New York (the "State"), in the Authority's issuance of its Future Tax Secured Subordinate Bonds, Fiscal 2014 Series B and Series C (collectively, the "New Bonds"). The New Bonds are being issued pursuant to Chapter 16, Laws of New York, 1997, as amended (the "Act"), to the Amended and Restated Original Indenture, as restated December 1, 2010, and as supplemented (the "Indenture"), between the Authority and The Bank of New York Mellon, as Trustee, and to a Financing Agreement dated October 1, 1997, as amended (the "Agreement"), between the Authority and The City of New York (the "City"). Terms not defined herein are used as defined in the Indenture. We assume the parties will perform their respective covenants in the Indenture and the Agreement in all material respects.

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

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

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

1. The Authority is a public benefit corporation duly organized and existing under the laws of the State, and is authorized under the laws of the State, particularly the Act, to enter into the Indenture and the Agreement and to issue the New Bonds. Under the laws of the State, including the Constitution of the State, and under the Constitution of the United States, the Act is valid in all respects material to the security and sources of payment for the New Bonds.

2. The New Bonds have been duly authorized, executed, and delivered by the Authority and are valid and binding obligations of the Authority payable from the Tax Revenues pledged and the other collateral provided therefor in the Indenture. The New Bonds do not constitute a debt of the State or the City, and neither the State nor the City shall be liable thereon, nor shall the New Bonds be payable out of any funds other than those of the Authority.

3. The Act validly provides for (a) the payment to the Authority (i) of the taxes so payable pursuant to § 1313 of the Tax Law (the "Personal Income Taxes"), and (ii) to the extent specified in the Act, of sales and compensating use taxes that the City is authorized by the State to impose and taxes imposed by the State pursuant to § 1107 of the Tax Law (the "Alternative Revenues," and to the extent so payable, with the Personal Income Taxes and such other revenues, if any, as the Authority may derive directly from the State from taxes imposed by the City or the State and collected by the State, the "Tax Revenues"), (b) the Authority's pledge to the Trustee of the Tax Revenues and all aid, rents, fees, charges, payments and other income and receipts paid or payable to the Authority or the Trustee (the "Revenues"), and (c) the application of proceeds of the Bonds to purposes of the City.

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

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

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

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

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

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

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

The Authority has received the opinion of Fulbright & Jaworski LLP regarding certain federal, state and local tax consequences of ownership of or receipt or accrual of interest on the New 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 federal, state or local tax consequences with respect to the New 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 update this opinion in light of such actions or events.

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL FOR TAX MATTERS

February 4, 2014

New York City Transitional Finance Authority

We have acted as bond counsel for tax matters to the New York City Transitional Finance Authority (the "Authority"), a public benefit corporation organized under the laws of the State of New York (the "State"), in the Authority's issuance of its Future Tax Secured Tax-Exempt Subordinate Bonds (Adjustable Rate Bonds), Fiscal 2014 Subseries B-3 (the "Adjustable Rate Bonds"). The Adjustable Rate Bonds are being issued pursuant to Chapter 16, Laws of New York, 1997, as amended (the "Act"), to the Amended and Restated Original Indenture, as restated December 1, 2010, and as supplemented (the "Indenture"), between the Authority and The Bank of New York Mellon, as Trustee, and to a Financing Agreement dated October 1, 1997, as amended (the "Agreement"), between the Authority and The City of New York (the "City"). We assume the parties will perform their respective covenants in the Indenture and the Agreement in all material respects.

We have examined, and in expressing the opinions hereinafter described we rely upon, certificates of the Authority and 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 Adjustable Rate Bonds have been duly authorized, executed and issued in accordance with the Constitution of the State and the Act and constitute valid and legally binding obligations of the Authority.

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

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

2. The Authority and the City have covenanted, in Tax Certificates 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 Adjustable Rate Bonds for purposes of federal income taxation. Assuming compliance by the Authority and the City with such covenants, interest on the Adjustable Rate Bonds will be excludable from the gross income of the owners thereof for federal income tax purposes.

3. Interest on the Adjustable Rate 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 Adjustable Rate 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.

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 Adjustable Rate Bonds. Furthermore, we express no opinion as to the effect on the exclusion from gross income of interest on the Adjustable Rate Bonds of any action taken or not taken after the date of this opinion without our approval. Ownership of tax-exempt obligations such as the Adjustable Rate 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 thereafter come to our attention or to reflect any changes in any law that may thereafter 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 Offering Circular dated January 30, 2014, relating to the Adjustable Rate Bonds or any other offering material relating to the Adjustable Rate Bonds.

Very truly yours

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New York City TRANSITIONAL FINANCE AUTHORITY

$75,000,000
New York City Transitional Finance Authority
Future Tax Secured
Tax-Exempt Subordinate Bonds
Fiscal 2014 Subseries B-3
(Adjustable Rate Bonds)

OFFERING CIRCULAR

January 30, 2014