

# Capital Markets Advisors, LLC

*Independent Financial Advisors*  
11 Grace Avenue, Suite 308  
Great Neck, New York 11021  
Telephone (516) 487-9817 Fax (516) 487-2575  
e-mail: [anash@capmark.org](mailto:anash@capmark.org)

*Office locations:*  
Long Island  
Western New York  
Hudson Valley  
Southern Tier

To: All Bidders  
From: Anthony Nash  
Re: City of Yonkers, New York  
Date: August 22, 2019

## TERM SHEET

**ISSUER:** City of Yonkers (the “City”)  
Westchester County, New York

**ISSUE:** \$6,000,000 General Obligation Bond Anticipation Notes – 2019C  
(the “Notes”)

**SALE DATE:** September 4, 2019

**SALE TIME:** 11:00 A.M. EST

**DATE OF DELIVERY:** September 18, 2019

**DATE OF MATURITY:** September 18, 2020

**DELIVERY:** Through the offices of The Depository Trust Company (“DTC”) or  
as otherwise mutually agreed upon by the City and the purchaser.

**LEGAL OPINION:** To be provided by Hawkins Delafield & Wood LLP, Bond Counsel.  
The form of opinion of Bond Counsel is attached hereto as **Exhibit A**.

**TAX-EXEMPT STATUS:** The opinion of Hawkins Delafield & Wood LLP, Bond Counsel to  
the City, shall state that under existing statutes and court decisions  
and assuming continuing compliance with certain tax certifications  
described in the Tax Certificate executed by the City, (i) interest on  
the Notes is excluded from gross income for federal income tax  
purposes pursuant to Section 103 of the Internal Revenue Code of  
1986, as amended (the “Code”), and (ii) interest on the Notes is not  
treated as a preference item in calculating the alternative minimum  
tax under the Code. In addition, the opinion of Bond Counsel to the  
City shall also state that under existing statutes, interest on the Notes  
is exempt from personal income taxes of New York State and its  
political subdivisions, including The City of New York and the City  
of Yonkers.

**BIDDING  
REQUIREMENTS:** Sealed proposals, telephone proposals, fax proposals and proposals  
via iPreo’s Parity Electronic Bid Submission System (“Parity”) will  
be received at the place and time on the Sale Date as herein

indicated, for the purchase at not less than par and accrued interest of the Notes as herein described. No other form of electronic bidding services will be accepted. The number for telephone proposals is (516) 487-9817. The number for FAX proposals is (516) 487-2575. Bidders submitting proposals via facsimile must use the "Proposal for Notes" form attached hereto.

Proposals may be submitted in accordance with this Term Sheet until the time specified herein. No proposal will be accepted after the time for receiving proposals specified above. Any proposal received by the time for receiving proposals specified herein, which have not been modified or withdrawn by the bidder, including those communicated electronically via Parity, shall constitute an irrevocable offer to purchase the Notes pursuant to the terms herein and therein provided. Bidders shall not submit a bid that modifies the terms contained in this Term Sheet or adds additional conditions not set forth in the Term Sheet.

The City reserves the right to reject any and all bids (regardless of the interest rate bid), to reject any bid not complying with this Term Sheet and, so far as permitted by law, to waive any irregularity or informality with respect to any bid or the bidding process.

The timely delivery of all proposals submitted by facsimile transmission (FAX) must be in legible and complete form, signed by an authorized representative of the bidder(s), and shall be the sole responsibility of the bidder(s). The City shall not be responsible for any errors and/or delays in transmission and/or receipt of such bids, mechanical or technical failures or disruptions, or any omissions or irregularities in any bids submitted in such manner.

Bids may be made for all or a portion of the Notes. The minimum bid shall be \$1,000,000. All bids less than \$1,000,000 will be rejected. Each bid must state: (i) the principal amount of the Notes to be purchased pursuant to such bid and (ii) in a multiple of one-hundredth ( $1/100^{\text{th}}$ ) or one-eighth ( $1/8^{\text{th}}$ ) of one percent, a rate of interest per annum which the Notes bid shall bear. Interest will be calculated on the basis of a 30-day month and 360-day year. Each bidder may submit one or more bids for all, or less than all, of the aggregate principal amount of the Notes offered, but each bid submitted must comply with the foregoing requirements. Conditional bids will be rejected.

If a facsimile bid is submitted, such Bid must be made on the "Proposal for Notes" accompanying the Term Sheet.

Unless all bids are rejected, the Notes will be awarded and sold to the bidder(s) complying with the terms of sale and offering to purchase the Notes at the lowest net interest cost. The right is reserved by the City to award to any bidder all or any part of the Notes which such bidder offers to purchase. If two or more such bidders offer the same lowest net interest cost, then the Notes will be awarded and sold to

one of said bidders selected by the City's Commissioner of Finance and Management Services by lot from among all said bidders. The right is further reserved by the Issuer to reject any or all bids, and any bid not complying with this Term Sheet will be rejected.

Award of the Notes is expected to be made promptly after opening of the bids, but the successful bidder(s) may not withdraw their proposals until two (2) hours after the time set forth above on the day of such bid opening and then only if such award has not been made prior to the withdrawal.

**BIDDING USING PARITY:** Prospective bidders wishing to submit an electronic bid via Parity must be contracted customers of Parity. Prospective bidders who do not have a contract with Parity must call (212) 849-5021 to become a customer. By submitting an electronic bid for the Notes, a bidder represents and warrants to the City that such bidder's bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes.

Each prospective bidder who wishes to submit an electronic bid shall be solely responsible to register to bid via Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Term Sheet. Neither the City nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the City nor Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by Parity. The City is using Parity as a communications mechanism, and not as the City's agent, to conduct the electronic bidding for the City's Notes. The City is not bound by any advice or determination of Parity as to whether any bid complies with the terms of this Term Sheet. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via Parity are the sole responsibility of the bidders, and the City is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid, or submitting or modifying a bid for the Notes, it should telephone Parity and notify the City's Municipal Advisor, Capital Markets Advisors, LLC at (516) 487-9817 (provided that the District shall have no obligation to take any action whatsoever upon receipt of such notice).

If any provisions of this Term Sheet shall conflict with information provided by Parity, as approved provider of electronic bidding services, this Term Sheet shall control. Further information about Parity, including any fee charged, may be obtained from Parity at

(212) 849-5021. The time maintained by Parity shall constitute the official time with respect to all bids submitted.

**AUTHORITY FOR AND PURPOSE OF ISSUE:**

The Notes shall be issued pursuant to the Constitution, the Laws of the State and the Special Local Finance and Budget Act of the City of Yonkers constituting Chapters 488 and 489 of the Laws of 1976 of the State (the “Act”); and special bond ordinances duly adopted by the City Council and subsequently approved by the Mayor as reflected in the table below:

<b>Object or Purpose</b>	<b>Remaining Amount Authorized</b>	<b>Amount to Notes</b>
<b>Special Ordinance 14-2019</b>		
Acquisition by Purchase of the St. Denis Property	\$ 4,000,000	\$ 4,000,000
<b>Special Ordinance 43-2019</b>		
Preparation of Design, Plans and Specifications for Capital Projects Undertaken by the Yonkers City School District Joint Schools Construction and Modernization Act	2,000,000	2,000,000

**SECURITY FOR THE NOTES:**

The Notes are valid and legally binding general obligations of the City for which the City has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the City is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon, subject to certain statutory limitations imposed under Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

In addition, the Act provides the purchasers of the City’s bonds and notes, including the Notes, with special contractual safeguards not typically afforded to the holders of general obligation debt of most other municipalities in the State. In particular, the Notes will be entitled to certain benefits of the provisions of the special ordinances adopted by the City Council authorizing each issue of City bonds since 1976 (collectively, the “Sale Ordinance”), including certain covenants of the City contained therein and certain rights of City bondholders to enforce such covenants. Such Sale Ordinance constitutes the special contract and credit agreement with bondholders authorized by the City in accordance with the Act. The Sale Ordinance reaffirms the requirements of the Act, and the safeguards and provisions which apply to the aforesaid obligations issued by the City in 1976 and thereafter, that the City appropriate in its budget for each fiscal year the amounts required for such year to pay Special Debt Service (as hereinafter defined), as well as the

amounts estimated to be required for interest on tax anticipation and revenue anticipation notes anticipated to be issued and to mature in such fiscal year.

Pursuant to the Act, the City has established a special debt service fund (the “Debt Service Fund”), which is maintained with the State Comptroller, acting as Fiscal Agent (the “Fiscal Agent”). Funds in the Debt Service Fund must only be used for the purpose of paying Special Debt Service. “Special Debt Service” means with respect to a fiscal year, the amount required for the punctual payment of (a) all principal due or becoming due and payable in said year with respect to any serial bonds, tax anticipation notes, revenue anticipation notes, capital notes or budget notes of the City, and all principal amortization for said year required by law with respect to bond anticipation notes or urban renewal notes or other obligations of the City and (b) all interest due or becoming due and payable in said year with respect to any obligations of the City, including the Notes. In each fiscal year, a percentage of all City ad valorem real property taxes, together with the proceeds of a special one percent sales and use tax authorized by Chapter 871 of the State Laws of 1975, as amended, must be deposited, as received, into the Debt Service Fund. The percentage of all ad valorem real property taxes is to be deposited in the Debt Service fund is determined according to the following formula and calculated at the commencement of each fiscal year:

$$\frac{\text{Total appropriation for Special Debt Service}}{\text{Total City ad valorem real property tax levy less reserve for uncollected}} = \text{Debt Service Percentage}$$

Immediately upon receipt of any ad valorem real property tax payments during each fiscal year, the City is required to remit the total of such payments to the Fiscal Agent, who will deposit into the Debt Service Fund the portion of such payment equal to the Debt Service Percentage. The remainder of such payment is then paid over to the City Comptroller, subject to certain limitations, for City use.

The Sale Ordinance states that bond anticipation notes cannot be issued by the City during any fiscal year having a maturity of principal or interest due and payable in such fiscal year unless such bond anticipation notes provide by their terms that no such principal or interest shall be payable from the Debt Service Fund, unless the City deposits in the Debt Service Fund moneys sufficient to provide for the payment of such principal and interest. It is expected that the principal of the Notes will not be paid from the Debt Service Fund, rather such principal is expected to be paid from the proceeds of serial bonds or renewal notes to be issued by the City. It is expected that interest on the Notes will be paid from the Debt Service Fund.

The Act further provides that no obligations, other than bonds, bond anticipation notes, such as the Notes, or capital notes, shall be issued unless such notes are countersigned and authenticated by the Fiscal Agent.

Significant features of the Act and the Sale Ordinance as they relate to Notes include:

- a) the State pledge and agreement not to impair the City's contract with noteholders and the City's duty to comply with the Act;
- b) the budgeting requirements applicable to the City which help to ensure against overestimated revenues and underestimated expenditures;
- c) the deposit of the proceeds of the bonds and bond anticipation notes with the Fiscal Agent and the requisition of such proceeds by the City in accordance with the Act; and
- d) the pledges and covenants made by the City, pursuant to the Act and/or special ordinances.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State of New York (the "State"), including the Act, and acts and proceedings of the City, including the Sale Ordinance, contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

A copy of the Act and the most recent Special Ordinance adopted on August 8, 2017 by the City Council is available upon request.

**NO PRIOR REDEMPTION:** The Notes will not be subject to redemption prior to their stated maturity.

**DENOMINATIONS:** Individual purchases of the Notes shall be made in denominations of \$100,000 or integral multiples thereof.

**FORM:** The Notes will be issued in registered form, and, at the option of the purchaser, the Notes may be either registered to the purchaser or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry notes.

For those Notes registered to the purchaser, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable

in lawful money of the United States of America (Federal Funds) at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder.

For those Notes issued as book-entry only notes registered to Cede & Co., DTC will act as securities depository for the Notes and owners will not receive certificates representing their interest in the Notes. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the City to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein.

CUSIP identification numbers will be printed on the book-entry only notes if Bond Counsel is provided with such number(s) by the close of business on the Sale Date of the Notes, but neither the failure to print such number on any Note nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery and pay for the Notes in accordance with the terms hereof. It shall be the responsibility of the City's Municipal Advisor to obtain CUSIP numbers for the Notes within one day after distribution of this Term Sheet. The City will not be responsible for any delay occasioned by the inability to deposit the Notes with DTC due to the failure of the City's Municipal Advisor to obtain such numbers and to supply them to the City in a timely manner. The CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the winning bidder; however, all expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the City. For those Notes issued in registered form, the City will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser.

**BANK QUALIFICATION:** The Notes will **NOT** be designated as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

**ISSUE PRICE  
CERTIFICATE:**

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a "courtesy bid" being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the "issue price" of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Requirements"). The Municipal Advisor will advise the winning bidder(s) if the Competitive Sale Requirements were met at the same time it notifies the winning bidder(s) of the award of the Notes. **Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.**

The winning bidder(s) shall, within one (1) hour after being notified of the award of the Notes, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial public offering price or yield of each maturity of the Notes (the “Initial Reoffering Prices”) as of the date of the award.

By submitting a bid, the winning bidder(s) agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Requirements are not met, it will elect and satisfy either option (1) or option (2) described below. *Such election must be made on the bid form submitted by each bidder.*

(1) **Hold the Price.** The winning bidder(s):

- (a) will make a bona fide offering to the public of all of the Notes at the Initial Reoffering Prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,
- (b) will neither offer nor sell to any person any Notes within a maturity at a price that is higher, or a yield that is lower, than the Initial Reoffering Price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least 10 percent of the Notes of such maturity at a price that is no higher, or a yield that is no lower, than the Initial Reoffering Price of such maturity or (ii) the close of business on the 5th business day after the date of the award of the Notes, and
- (c) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Notes as set forth above.

(2) **Follow the Price.** The winning bidder(s):

- (a) will make a bona fide offering to the public of all of the Notes at the Initial Reoffering Prices and provide the Issuer with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,
- (b) will report to the Issuer information regarding the first price that at least 10 percent of the Notes within each maturity of the Notes have been sold to the public,
- (c) will provide the Issuer with reasonable supporting documentation or certifications of such sale prices the form of which is acceptable to Bond Counsel. This reporting requirement, which may extend beyond the closing date of the Notes, will continue until such date that the requirement



set forth in paragraph (b) above for each maturity of the Notes is satisfied, and

- (d) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

For purposes of the “hold the price” or “follow the price” requirement, a “maturity” refers to Notes that have the same interest rate, credit and payment terms.

Regardless of whether or not the Competitive Sale Requirements were met, the winning bidder shall submit to the Issuer a certificate (the “Reoffering Price Certificate”), satisfactory to Bond Counsel, prior to the delivery of the Notes stating the applicable facts as described above. The form of Reoffering Price Certificate is available by contacting Bond Counsel or the Municipal Advisor.

If the winning bidder has purchased the Notes for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Requirements were met, the Reoffering Price Certificate will recite such facts and identify the price or prices at which the purchase of the Notes was made.

For purposes of this Notice, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Notes to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Notes to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Notes.

**OFFICIAL STATEMENT:** The City has NOT prepared an official statement in connection with the issuance of the Notes. The City last prepared an Official Statement in conjunction with the issuance of its \$79,513,082 General Obligation Bond Anticipation Note–2019A and \$16,150,000 General Obligation Bond Anticipation Notes-2019B (Federally Taxable) dated April 30, 2019. Said Official Statement speaks only as of its date; however, the City believes that there has been no material adverse change to the City’s financial condition or operation since the date of said Official Statement.

Please be advised that certain financial information and operating data, as well as information regarding certain material events that may occur from time to time, are filed by the City with respect to its bonds, in satisfaction of certain continuing disclosure undertaking

agreements entered into pursuant to Securities and Exchange Rule 15c2-12, by periodically filing such information with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system, currently found at <http://emma.msrb.org/>.

Information concerning the City is also available, upon request, from the City's Municipal Advisor, Capital Markets Advisors LLC.

**CREDIT RATING:**

The Notes are not rated. On July 2, 2019, Moody's Investors Service, Inc. ("Moody's") affirmed the rating of "A2" and revised the outlook from stable to negative to the uninsured, outstanding bonded indebtedness of the City. On December 14, 2017, as a result of a new methodology for rating state intercept programs, Moody's raised the enhanced rating assigned to bonds issued by the City on behalf of the Board of Education on account of the State aid intercept authorized by Section 99-b of the State Finance Law from "A1" to "Aa3". On August 7, 2018, S&P Global Ratings affirmed the rating of "A" and revised the outlook from stable to negative assigned to the uninsured, outstanding bonded indebtedness of the City.

**ISSUER:**

Mr. John A. Liszewski  
Commissioner of Finance and Management Services  
City of Yonkers  
1 Larkin Center  
Yonkers, New York 10701  
Telephone: (914) 377-6160

**BOND COUNSEL:**

Hawkins Delafield & Wood, LLP  
7 World Trade Center  
250 Greenwich Street, 41<sup>st</sup> Floor  
New York, New York 10007  
Attention: William J. Jackson, Esq.  
Telephone: (212) 820-9620

**MUNICIPAL ADVISOR:**

Anthony Nash  
Capital Markets Advisors, LLC  
11 Grace Avenue, Suite 308  
Great Neck, New York 11021  
Telephone: (516) 487-9817

Dated: August 22, 2019

PROPOSAL FOR NOTES

Mr. John Liszewski  
Commissioner of Finance and Management Services  
City of Yonkers  
c/o Capital Markets Advisors, LLC  
11 Grace Avenue, Suite 308  
Great Neck, New York 11021

September 4, 2019

TELEPHONE: (516) 487-9817

FACSIMILE: (516) 487-2575

CITY OF YONKERS  
WESTCHESTER COUNTY, NEW YORK

\$6,000,000 BOND ANTICIPATION NOTES – 2019C  
(the "Notes")

DATED: September 18, 2019

MATURITY DATE: September 18, 2020

	Amount	Interest Rate	Premium	Net Interest Cost
<b>Bid 1</b>	\$	%	\$	%
<b>Bid 2</b>	\$	%	\$	%
<b>Bid 3</b>	\$	%	\$	%
<b>Bid 4</b>	\$	%	\$	%

Please select one of the following (if no option is selected, the book-entry-only option will be assumed to have been selected by the bidder):

- Book-Entry-Only registered to Cede & Co.
- Registered in the name of the bidder

Please check one of the following:

- We are purchasing the Notes for our own account and not with a view to distribution or resale to the public.
- In the event the Competitive Sale Requirements are not met, we hereby elect to:
  - Hold the Price
  - Follow the Price

The computation of the net interest cost is made as provided in the above-mentioned Term Sheet, but does not constitute any part of the foregoing Proposal for the purchase of the Notes therein described.

Signature: \_\_\_\_\_

Name of Bidder: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone (Area Code): \_\_\_\_\_

## **EXHIBIT A**

Form of Opinion of Bond Counsel

September 18, 2019

The City Council of the  
City of Yonkers, in the  
County of Westchester, New York

Ladies and Gentlemen:

We have served as Bond Counsel to the City of Yonkers (the “City”), in the County of Westchester, a municipal corporation of the State of New York (the “State”), in connection with the authorization, sale and issuance of \$6,000,000 General Obligation Bond Anticipation Note-2019C (the “Note”) of the City.

We have examined a record of proceedings relating to the Note for purposes of this opinion. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

The Note is issued pursuant to the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York; (i) Special Ordinance No. 14-2019 adopted by the City Council on March 12, 2019, authorizing the financing of the cost of the acquisition by purchase of the St. Denis Property for use by the Board of Education and the City and (ii) Special Ordinance No. 43-2019, adopted by the City Council on July 23, 2019, authorizing the financing of the cost of the preparation of design plans and specifications for capital projects to be undertaken pursuant to the Yonkers City School District Joint Schools Constructions and Modernization Act, constituting Chapter 355 of the Laws of 2016 of the State of New York, as amended (collectively, the “Note Ordinance”), and the Certificate of Determination executed by the Commissioner of Finance & Management Services in connection with the issuance of the Note (the “Certificate of Determination”). The Note is issued in accordance with the provisions of the Special Local Finance and Budget Act of the City of Yonkers, constituting Chapter 488 of the New York Laws of 1976, as amended (the “Act”) and is entitled to the benefits of the Act, subject to the terms of the Certificate of Determination. Reference to the Act and the Certificate of Determination, and any and all modifications thereto is made for a description of the nature and extent of such benefits, and the rights and remedies of the holders of the Note.

The Note is dated, matures, is payable, and bears interest as provided in the Certificate of Determination.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding general obligation of the City for which the City has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the City is subject to the levy of ad valorem real estate taxes to pay

the Note and interest thereon, subject to certain statutory limitations imposed under Chapter 97 of the New York Laws of 2011, as amended.

2. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

3. Under existing statutes and court decisions, and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Note in order that interest on the Note be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Note to become subject to federal income taxation retroactive to their date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the City will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. Pursuant to the Act and by executing the Tax Certificate, the City covenants that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for Federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 3, we have relied upon and assumed (i) the material accuracy of the City's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the City with the procedures and representations set forth in the Tax Certificate as to such tax matters.

4. Under existing statutes, interest on the Note is exempt from personal income taxes of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 3 and 4 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on

the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

This letter does not address and no assurances are given as to the adequacy, sufficiency or completeness of any reports, correspondence, financial statements or other documents, containing financial, statistical and economic data, forecasts, numbers, estimates, projections, assumptions, expressions of opinion, or any other information relating to the City, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP