

*In the opinion of Nixon Peabody LLP, New York, New York ("Bond Counsel"), under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the New York City Industrial Development Agency and Tiago Holdings, LLC (the "Company") and described herein, interest on the Series 2007 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except: (i) that no opinion is expressed as to the exclusion of interest from gross income for any period during which any such Series 2007 Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with proceeds of the Series 2007 Bonds or a "related person"; and (ii) the Company, or another person, by taking action after the date hereof that results in a failure to satisfy the requirements of the Code applicable to an "enterprise zone facility," as defined by Section 1394 of the Code, may cause interest on the Series 2007 Bonds to become included in gross income. Bond Counsel is further of the opinion that interest on the Series 2007 Bonds is treated as an item of tax preference for purposes of calculating the federal alternative minimum tax that may be imposed on individuals and corporations. Bond Counsel is further of the opinion that interest on the Series 2007 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York. See "TAX MATTERS" herein regarding certain other tax considerations.*

**\$40,000,000**

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY**  
**Variable Rate Demand Industrial Development Empowerment Zone Revenue Bonds, Series 2007**  
**(Tiago Holdings, LLC Project)**

**Dated: Date of Delivery**

**Price: 100%**

**Due: January 1, 2037**

The New York City Industrial Development Agency's \$40,000,000 Variable Rate Demand Industrial Development Empowerment Zone Revenue Bonds, Series 2007 (Tiago Holdings, LLC Project) (the "Series 2007 Bonds") are being issued under and pursuant to an Indenture of Trust dated as of January 1, 2007 (the "Indenture") between the New York City Industrial Development Agency (the "Agency") and U.S. Bank National Association, as trustee (the "Trustee"). The Series 2007 Bonds are payable solely out of the revenues or other receipts, funds or moneys of the Agency pledged therefor or otherwise available to the Trustee for the payment thereof, including those derived under an Installment Sale Agreement and Assignment of Lease dated as of January 1, 2007 (the "Installment Sale Agreement") between the Company and the Agency. The Series 2007 Bonds are being issued to (i) undertake a commercial project consisting of the construction, furnishing and equipping of an approximately 632,248 square foot building to be used as parking garage (the "Facility"), located upon an approximately 80,000 square foot parcel of land located on Block 1715 and Lots 7, 22, 38, 42, 43, 45, 10, located to the east of Pleasant Avenue and generally bounded by East 116<sup>th</sup> Street, Franklin D. Roosevelt Drive and East 117<sup>th</sup> Street, New York, New York (the "Project"); and (ii) pay the Costs of Issuance relating to the Series 2007 Bonds.

The principal of and interest on the Series 2007 Bonds are further supported by an irrevocable direct pay letter of credit (herein, the "Letter of Credit") to be issued by

**ING BANK N.V.**

with corporate seat in Amsterdam, The Netherlands, acting through its Curaçao Branch (the "Bank"). The Letter of Credit will permit the Trustee to draw an amount in the aggregate sufficient to pay (a) the unpaid principal of the Series 2007 Bonds and (b) accrued and unpaid interest on the Series 2007 Bonds in an amount not in excess of 55 days' interest computed at an assumed rate of twelve percent (12%) per annum (computed on the basis of a 365-day year). The Letter of Credit is scheduled to expire on January 31, 2010, subject to extension or earlier termination. Under certain conditions, the Company may substitute an alternate letter of credit or an alternate credit facility to support payments on the Series 2007 Bonds.

The obligations of the Bank under the Letter of Credit are confirmed by an irrevocable confirming letter of credit (the "Confirming Letter of Credit") to be issued by

**LLOYDS TSB BANK plc**

acting through its New York Branch (the "Confirming Bank"). In the event that the Bank fails to pay a properly presented drawing under the Letter of Credit, or in the event that the Trustee has actual knowledge that the Bank has repudiated the Letter of Credit or an Act of Bankruptcy has occurred with respect to the Bank or that the Bank is temporarily restrained from making a payment under the Letter of Credit by court order or by action of any governmental or quasi-governmental body, the Confirming Letter of Credit will permit the Trustee to draw an amount to pay the principal of and interest on the Series 2007 Bonds in an amount as set forth below. The Trustee is further entitled to draw on the Confirming Letter of Credit to pay the Purchase Price of the Series 2007 Bonds upon a failed remarketing in an amount as set forth below. In such circumstances, the Confirming Letter of Credit will permit the Trustee to draw an amount in the aggregate sufficient to pay (a) the unpaid principal of, or the portion of the Purchase Price corresponding to principal of, the Series 2007 Bonds and (b) accrued and unpaid interest on, or the portion of the Purchase Price corresponding to interest on, the Series 2007 Bonds in an amount not in excess of 55 days' interest computed at an assumed rate of twelve percent (12%) per annum (computed on the basis of a 365-day year). The Confirming Letter of Credit is scheduled to expire on January 31, 2017, subject to extension or earlier termination as described herein. Under certain conditions, the Company may substitute the Confirming Letter of Credit with a Substitute Confirming Letter of Credit of another commercial bank or savings and loan association or terminate the Confirming Letter of Credit.

The Series 2007 Bonds initially will bear interest from the date of delivery at a Weekly Interest Rate determined by M.R. Beal & Company, as the Remarketing Agent, as described herein. Interest on the Series 2007 Bonds while bearing interest at a Weekly Interest Rate will be payable on the first Business Day of each calendar month commencing on March 1, 2007 until redemption, maturity or conversion to a fixed rate as described herein. The Series 2007 Bonds are subject to conversion from the Weekly Interest Rate to a Fixed Interest Rate.

**THIS OFFICIAL STATEMENT DESCRIBES ONLY THE TERMS AND PROVISIONS APPLICABLE TO THE SERIES 2007 BONDS WHILE THE SERIES 2007 BONDS BEAR INTEREST AT A WEEKLY INTEREST RATE.**

The Series 2007 Bonds are further secured by a pledge and assignment of substantially all of the Agency's right to, and interest in, the Installment Sale Agreement. The payment of the principal or Redemption Price of, Purchase Price and interest on the Series 2007 Bonds has been guaranteed by the Company pursuant to a Guaranty Agreement with the Trustee.

The Series 2007 Bonds will be issued in fully registered form without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as "Securities Depository," as herein described, for the Series 2007 Bonds. Individual purchases of Series 2007 Bonds will be made in book-entry-only form, in denominations of \$100,000, or any integral multiple of \$5,000 in excess thereof. Purchasers will not receive certificates representing their ownership interests in the Series 2007 Bonds. Principal and interest will be paid by the Trustee to DTC which will in turn remit such principal and interest to its Participants (as defined herein) for subsequent distribution to the Beneficial Owners (as defined herein) of the Series 2007 Bonds.

The Series 2007 Bonds are subject to optional and mandatory redemption prior to maturity as described herein. The Series 2007 Bonds are also subject to mandatory and optional tender for purchase at a Purchase Price equal to the principal amount thereof plus accrued and unpaid interest to the date of purchase as described herein. See "DESCRIPTION OF THE SERIES 2007 BONDS — General Interest Rate Provisions. — Weekly Interest Rate Period. — Conversion to Fixed Interest Rate. — Tender and Purchase of Weekly Interest Rate Bonds, and — Redemption."

**THE SERIES 2007 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AGENCY, PAYABLE BY THE AGENCY AS TO PRINCIPAL, REDEMPTION PRICE, IF ANY, PURCHASE PRICE, AND INTEREST ON THE SERIES 2007 BONDS SOLELY FROM THE TRUST ESTATE. THE SERIES 2007 BONDS DO NOT CONSTITUTE AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR THE CITY OF NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE CITY OF NEW YORK SHALL BE LIABLE THEREON. THE SERIES 2007 BONDS DO NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE FULL FAITH AND CREDIT OR TAXING POWERS OF THE STATE OF NEW YORK OR THE CITY OF NEW YORK. THE SERIES 2007 BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AGENCY, NOR SHALL THE SERIES 2007 BONDS BE PAYABLE OUT OF ANY FUNDS OF THE AGENCY OTHER THAN THOSE PLEDGED THEREFOR. THE AGENCY HAS NO TAXING POWERS.**

*The Series 2007 Bonds are offered when, as and if issued by the Agency and received by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice and subject to the approving opinion of Nixon Peabody LLP, New York, New York, Bond Counsel. Certain legal matters will be passed upon for the Agency by Richard E. Marshall, Esq., Vice President for Legal Affairs of the Agency; for the Company by its counsel, Fried, Frank, Harris, Shriver & Jacobson LLP; for the Bank by its counsel, Sidley Austin LLP and by its Dutch counsel, De Brauw Blackstone Westbroek P.C., New York Branch of De Brauw Blackstone Westbroek New York; for the Confirming Bank by its Counsel, Kevin G. Ross, Esq., and by its English counsel, Eversheds LLP, London, England; and for the Underwriters by their counsel, Holland & Knight LLP, New York, New York. It is expected that the Series 2007 Bonds will be available for delivery in definitive form in New York, New York on or about January 31, 2007.*

**M♦R♦BEAL & COMPANY**

**SIEBERT BRANDFORD SHANK & CO., LLC**

Dated: January 25, 2007