



DAC Bond

\$40,485,000*

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK
MASTER BOCES PROGRAM LEASE REFUNDING REVENUE BONDS**

\$32,625,000
**DELAWARE, CHENANGO, MADISON
AND OTSEGO ISSUE
SERIES 2015**

\$7,860,000
**ST. LAWRENCE-LEWIS
ISSUE
SERIES 2015**

Dated: Date of Delivery

Due: As shown on the inside cover

Payment and Security: The Series 2015 Bonds (as defined herein) will be special obligations of the Dormitory Authority of the State of New York ("DASNY") payable solely from and secured by (i) in the case of the DCMO Bonds (as defined herein), a pledge of certain payments to be made by the Delaware, Chenango, Madison and Otsego BOCES (as defined herein) pursuant to an Amended and Restated Lease and Agreement, dated as of March 11, 2015 (the "DCMO Agreement") between DASNY and the Delaware, Chenango, Madison and Otsego BOCES and all funds and accounts (except the Arbitrage Rebate Fund) authorized under DASNY's Master BOCES Program Lease Revenue Bond Resolution, adopted August 15, 2001, as amended and supplemented (the "Master Resolution"), and established by the DCMO Resolution (as defined herein), and (ii) in the case of the SLL Bonds (as defined herein), a pledge of certain payments to be made by the St. Lawrence-Lewis BOCES (as defined herein) pursuant to an Amended and Restated Lease and Agreement, dated as of March 11, 2015 (the "SLL Agreement") and all funds and accounts (except the Arbitrage Rebate Fund) authorized under the Master Resolution and established by the SLL Resolution (as defined herein). The DCMO Agreement and the SLL Agreement will each be referred to herein as an "Agreement" and together as the "Agreements." The Delaware, Chenango, Madison and Otsego BOCES is the applicable Participating BOCES with respect to the DCMO Agreement and the St. Lawrence-Lewis BOCES is the applicable Participating BOCES with respect to the SLL Agreement.

Each Agreement, which is a general obligation of the applicable Participating BOCES, requires the applicable Participating BOCES to pay, or cause to be paid, amounts sufficient to pay the principal and Redemption Price of and interest on the applicable Series of Series 2015 Bonds as such payments become due (the "Basic Rent"), as well as additional rental fees and expenses of DASNY and the Trustee (collectively with the Basic Rent, the "Rentals"). Payment of Participating BOCES' obligations under the Agreements shall be made pursuant to the provisions of the Act (as hereinafter defined) which provides that the Comptroller of the State of New York shall deduct from any State funds payable to each Participating BOCES an amount equal to the amount payable by each Participating BOCES to DASNY under the applicable Agreement for the ensuing school year. To secure its payment of all of the Rentals due under the applicable Agreement, including the Basic Rent, each Participating BOCES will assign and pledge to DASNY a portion of any and all public funds apportioned by the State of New York (the "State") to such Participating BOCES sufficient to pay such amounts (the "Pledged Revenues"). Each Series of the Series 2015 Bonds will be separately secured by the pledge and assignment to the Trustee of the Basic Rent payments to be paid by the applicable Participating BOCES to DASNY under the applicable Agreement and DASNY's interest in the applicable Pledged Revenues. The apportionment of State aid is based on a statutory formula. Both the determination of the amount of State aid and the apportionment of such State aid are legislative acts and the State Legislature may amend or repeal the statutes relating to State aid and the formulas which determine the amount of State aid payable to each Participating BOCES. Such amendments could result in the increase, decrease or elimination of the amount of State aid available for the payment of debt service on one or more Series of the Series 2015 Bonds. The financial condition of the State may affect the amount of State aid appropriated by the State Legislature. See "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS."

No BOCES levies or collects taxes. The component school districts of each BOCES, however, are required to levy taxes to pay their allocable share of such BOCES' administrative expenses, including the payment of each component school district's proportionate share of the amount due from each Participating BOCES to DASNY under the applicable Agreement. See "PART 4 – BOARDS OF COOPERATIVE EDUCATIONAL SERVICES" and "APPENDIX C – CERTAIN FINANCIAL AND ECONOMIC INFORMATION FOR EACH PARTICIPATING BOCES."

The Series 2015 Bonds will not be a debt of the State of New York nor will the State be liable thereon. DASNY has no taxing power.

Description: Each Series of the Series 2015 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest (due February 15, 2016 and each August 15 and February 15 thereafter) on the Series 2015 Bonds will be payable by check mailed to the registered owners thereof and principal will be payable at the corporate trust office of The Bank of New York Mellon, New York, New York, Trustee and Paying Agent. The Series 2015 Bonds will be issued initially under a Book-Entry Only System, registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Individual purchases of beneficial interests in the Series 2015 Bonds will be made in Book-Entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2015 Bonds, payments of the principal and Redemption Price of and interest on such Series 2015 Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See "PART 3 – THE SERIES 2015 BONDS – Book-Entry Only System" herein.

Redemption: The Series 2015 Bonds are subject to special redemption prior to maturity as more fully described herein. The DCMO Bonds are also subject to optional redemption prior to maturity as more fully described herein. The SLL Bonds are not subject to optional redemption prior to maturity.

Tax Matters: In the opinions of Hodgson Russ LLP and Golden Holley James, LLP, Co-Bond Counsel to DASNY, under current law and assuming continuing compliance by DASNY and each of the Delaware, Chenango, Madison and Otsego BOCES and St. Lawrence-Lewis BOCES (each, a "Participating BOCES") with certain tax covenants and requirements of the Internal Revenue Code of 1986, as amended (the "Code"), as described herein, with respect to the DCMO Bonds and SLL Bonds, respectively and the accuracy and completeness of certain representations by DASNY and each Participating BOCES, interest on each Series of the Series 2015 Bonds will not be included in gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Code. Such interest is, however, taken into account in determining adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations. Co-Bond Counsel are further of the opinion that interest on each Series of the Series 2015 Bonds is exempt under existing laws from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York and the City of Yonkers). See "PART 10—TAX MATTERS" herein regarding certain other tax considerations.

The Series 2015 Bonds are offered when, as and if issued and received by the Underwriter. The offer of the Series 2015 Bonds may be subject to prior sale or may be withdrawn or modified at any time without notice. The offer is subject to the approval of legality by DASNY'S Co-Bond Counsel, Hodgson Russ LLP, Albany, New York and Golden Holley James, LLP, New York, New York, and to certain other conditions. Certain legal matters will be passed upon for the Underwriter by its co-counsel, Trespasz & Marquardt, LLP, Syracuse, New York and Marous & Marous, P.C. New York, New York and for each Participating BOCES by Orrick, Herrington & Sutcliffe LLP. DASNY expects to deliver the Series 2015 Bonds in definitive form in New York, New York, on or about June 5, 2015.

Roosevelt & Cross Incorporated

\$40,485,000*
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
MASTER BOCES PROGRAM LEASE REFUNDING REVENUE BONDS
SERIES 2015

\$32,625,000
DELAWARE, CHENANGO, MADISON AND OTSEGO ISSUE
SERIES 2015

<u>Due</u> <u>August 15,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾	<u>Due</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾
2016	\$1,925,000	2.000%	0.580%	64990B LK7	2022	\$2,735,000	5.000%	2.340%	64990B LR2
2017	2,250,000	3.000	1.000	64990B LL5	2023	2,875,000	5.000	2.550	64990B LS0
2018	2,315,000	4.000	1.400	64990B LM3	2024	3,015,000	5.000	2.750	64990B LT8
2019	2,410,000	4.000	1.630	64990B LN1	2025	3,170,000	5.000	2.900	64990B LU5
2020	2,505,000	4.000	1.840	64990B LP6	2026	3,330,000	5.000	3.030**	64990B LV3
2021	2,605,000	5.000	2.130	64990B LQ4	2027	3,490,000	5.000	3.140**	64990B LW1

**Priced to the stated yield to the August 15, 2025 optional redemption date at a Redemption Price of 100%.

\$7,860,000
ST. LAWRENCE-LEWIS ISSUE
SERIES 2015

<u>Due</u> <u>August 15,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾	<u>Due</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾
2016	\$585,000	2.000%	0.580%	64990B LX9	2022	\$735,000	2.250%	2.340%	64990B MD2
2017	635,000	3.000	1.000	64990B LY7	2023	755,000	2.375	2.550	64990B ME0
2018	655,000	4.000	1.400	64990B LZ4	2024	770,000	2.625	2.750	64990B MF7
2019	680,000	4.000	1.630	64990B MA8	2025	795,000	2.750	2.900	64990B MG5
2020	710,000	2.000	1.840	64990B MB6	2026	815,000	3.000	3.050	64990B MH3
2021	725,000	2.000	2.130	64990B MC4					

* Aggregate of each Series described for information only.

(1) Copyright 2009 American Bankers Association. CUSIP numbers have been assigned by an organization not affiliated with DASNY and are included solely for the convenience of the holders of the Series 2015 Bonds. Neither DASNY nor the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2015 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to change after the issuance of the Series 2015 Bonds as a result of various subsequent actions including but not limited to, a refunding in whole or 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 certain maturities of the Series 2015 Bonds.

No dealer, broker, salesperson or other person has been authorized by DASNY, the Participating BOCES or the Underwriter to give any information or to make any representations with respect to the Series 2015 Bonds, other than the information and representations contained in this Official Statement. If given or made, such information or representations must not be relied upon as having been authorized by DASNY, the Participating BOCES or the Underwriter.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Series 2015 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Certain information in this Official Statement has been supplied by the Participating BOCES and other sources that DASNY believes are reliable. Neither DASNY nor the Underwriter guarantees the accuracy or completeness of such information, and such information is not to be construed as a representation of DASNY or of the Underwriter.

Each Participating BOCES has reviewed the parts of this Official Statement describing its respective BOCES, Refunding Plan, Estimated Sources and Uses of Funds, Continuing Disclosure and the part of Appendix C relating to such BOCES. Each BOCES shall certify as of the dates of sale and delivery of the Series 2015 Bonds that such parts do not contain any untrue statements of a material fact and do not omit any material facts necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading. Each Participating BOCES make no representation as to the accuracy or completeness of any other information included in this Official Statement.

The New York State Department of Education (the "Department") has reviewed the parts of this Official Statement relating to BOCES generally and the Department's participation in the transaction contemplated herein. The Department shall certify as of the date of delivery of the Series 2015 Bonds that such parts do not contain any untrue statements of a material fact and do not omit any material facts necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading. The Department makes no representation as to the accuracy or completeness of any other information included in this Official Statement.

References in this Official Statement to the Act, the Resolutions, the Agreements and the Agreements of Lease (as defined herein) do not purport to be complete. Refer to the Act, the Resolutions, the Agreements and the Agreements of Lease for full and complete details of their provisions. Copies of the Resolutions, the Agreements and the Agreements of Lease are on file with DASNY and the Trustee.

The order and placement of material in this Official Statement, including its appendices, are not to be deemed a determination of relevance, materiality or importance and all material in this Official Statement, including its appendices, must be considered in its entirety.

Under no circumstances shall the delivery of this Official Statement, or any sale made after its delivery, create any implication that the affairs of DASNY or the Participating BOCES have remained unchanged after the date of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2015 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2015 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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DORMITORY AUTHORITY - STATE OF NEW YORK
PAUL T. WILLIAMS, JR. - PRESIDENT

515 BROADWAY ALBANY, N.Y. 12207
ALFONSO L. CARNEY, JR., ESQ. – CHAIR

OFFICIAL STATEMENT RELATING TO
\$40,485,000*
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
MASTER BOCES PROGRAM LEASE REFUNDING REVENUE BONDS

\$32,625,000
DELAWARE, CHENANGO, MADISON AND OTSEGO
ISSUE
SERIES 2015

\$7,860,000
ST. LAWRENCE-LEWIS
ISSUE
SERIES 2015

PART 1 - INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover and the inside cover page and appendices, is to provide information about DASNY, the Delaware, Chenango, Madison and Otsego BOCES and the St. Lawrence-Lewis BOCES (each, a “Participating BOCES” and collectively, the “Participating BOCES”) in connection with the offering by DASNY of \$32,625,000 aggregate principal amount of the Master BOCES Program Lease Refunding Revenue Bonds, Delaware, Chenango, Madison and Otsego Issue, Series 2015 (the “DCMO Bonds”) and \$7,860,000 aggregate principal amount of the Master BOCES Program Lease Refunding Revenue Bonds, St. Lawrence-Lewis Issue, Series 2015 (the “SLL Bonds” and, together with the DCMO Bonds, the “Series 2015 Bonds”).

The following is a description of certain information concerning the Series 2015 Bonds, DASNY and the Refunding Plans (as hereafter described). A more complete description of such information and additional information that may affect decisions to invest in the Series 2015 Bonds is contained throughout this Official Statement, which should be read in its entirety. Certain terms used in this Official Statement are defined in Appendix A hereto.

Purpose of the Issue

Each Series of the Series 2015 Bonds is being issued and proceeds thereof will be used together with other available moneys to (i) refund certain outstanding Master BOCES Program Lease Revenue Bonds as identified in Appendix B hereto (collectively, the “Refunded Bonds”) issued by DASNY pursuant to its Master BOCES Program Lease Revenue Bond Resolution, adopted August 15, 2001, as amended and supplemented (the “Master Resolution”); (ii) make a deposit to, or provide a Reserve Fund Facility for, the applicable Debt Service Reserve Fund for the applicable Series 2015 Bonds; and (iii) pay a portion of the Costs of Issuance of the applicable Series

* Aggregate of each Series described for information only.

2015 Bonds. See “PART 5 - THE REFUNDING PLANS” and “PART 6 – ESTIMATED SOURCES AND USES OF FUNDS.”

Authorization of Issuance

The Act empowers DASNY, among other things, to issue its bonds for the purpose of financing or refinancing the acquisition, construction or improvement of “board of cooperative educational services school facilities.” The Act further authorizes any board of cooperative educational services in the State (a “BOCES”), when authorized by its voters, to convey a leasehold interest in property owned by such BOCES to DASNY and to lease the property back from DASNY for purposes of financing such BOCES’ school facilities. Consistent with the Act, each Participating BOCES previously leased certain property on which the refinanced school facilities are located (each, a “Project”) to DASNY in connection with the issuance of the respective Refunded Bonds pursuant to an Agreement of Lease (each, an “Agreement of Lease” and collectively, the “BOCES Leases”), and DASNY subleased the applicable Project to the applicable Participating BOCES pursuant to a Lease and Agreement (each, an “Agreement” and collectively, the “Agreements”). Each Agreement of Lease and each Agreement are being amended and restated in connection with the issuance of the applicable Series 2015 Bonds. Each series of Refunded Bonds will be refunded with proceeds of the applicable Series 2015 Bonds and other monies.

Following issuance of the Series 2015 Bonds, DASNY’s Master BOCES Program Lease Revenue Bonds (St. Lawrence-Lewis Issue), Series 2011, in the current outstanding amount of \$6,010,000, will remain outstanding (the “2011 SLL Bonds”). Upon closing, the SLL Bonds will be the second series of bonds issued for the SLL BOCES and the pledge and assignment of State aid securing the SLL Bonds will be subordinate to the pledge and assignment of State aid securing the 2011 SLL Bonds. See “Appendix C-2 – CERTAIN FINANCIAL AND ECONOMIC INFORMATION FOR EACH PARTICIPATING BOCES - Indebtedness” for a description of SLL BOCES’ Indebtedness.

Upon the refunding of the Refunded Bonds issued for the DCMO BOCES, the DCMO BOCES will only have the DCMO Bonds outstanding. See “PART 5 – THE REFUNDING PLANS” and “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS – Issuance of Additional Bonds.”

The DCMO Bonds will be issued pursuant to the Act, the Master Resolution and DASNY’s Series Resolution adopted March 11, 2015, authorizing the DCMO Bonds (the “DCMO Resolution”). The SLL Bonds will be issued pursuant to the Act, the Master Resolution and DASNY’s Series Resolution adopted March 11, 2015 and as amended and restated on May 13, 2015 (the “SLL Resolution” and, together with the DCMO Resolution, the “Series 2015 Resolutions”). The Master Resolution and the Series 2015 Resolutions are herein collectively referred to as the “Resolutions.” The Board of Cooperative Educational Services for the Sole Supervisory District of Delaware, Chenango, Madison and Otsego Counties (the “Delaware, Chenango, Madison and Otsego BOCES”) is the applicable Participating BOCES with respect to the DCMO Bonds, the DCMO Resolution, the Agreement of Lease between DASNY and said Participating BOCES and the Agreement between said Participating BOCES and DASNY (the “DCMO Agreement”). The Board of Cooperative Educational Services for the Sole Supervisory District of St. Lawrence and Lewis Counties (the “St. Lawrence-Lewis BOCES”) is the applicable Participating BOCES with respect to the SLL Bonds, the SLL Resolution, the Agreement of Lease between DASNY and said Participating BOCES and the Agreement between said Participating BOCES and DASNY (the “SLL Agreement”).

The Master Resolution authorizes the issuance of multiple Series of Bonds for BOCES throughout the State. Each Series of Bonds is to be separately secured by (i) the funds and accounts, including a debt service reserve fund, but excluding the Arbitrage Rebate Fund, established pursuant to a Series Resolution, (ii) certain payments to be made under an agreement to be executed by and between DASNY and a BOCES for whose benefit the applicable Series of Bonds is to be issued and (iii) the pledge and assignment by such BOCES in its agreement of a portion of State aid payable to such BOCES sufficient to pay the amounts due under such agreement. Neither the funds and accounts established under any Series Resolution nor any agreement nor the pledge and assignment of State aid for one Series of Bonds shall secure any other Series of Bonds, except that an additional Series of Bonds issued to finance a project for a BOCES for which Bonds have already been issued may be secured on a subordinate basis to the Outstanding Series of Bonds for such BOCES.

DASNY

DASNY is a public benefit corporation of the State, created for the purpose of financing and constructing a variety of public-purpose facilities for certain educational, governmental and not-for-profit institutions. See “PART 7 – DASNY.”

The Participating BOCES

The Participating BOCES are located in different areas of the State, are of different geographic and demographic size and have unique economic, financial and indebtedness characteristics. See “Appendix B - List of Participating BOCES and Outstanding Series of Bonds to be Refunded” and “Appendix C – Certain Financial and Economic Information for each Participating BOCES.” The financial statements as of the fiscal year ended June 30, 2014 of both Participating BOCES have been filed by the respective Participating BOCES with the Electronic Municipal Market Access (“EMMA”) system maintained by the Municipal Securities Rulemaking Board (“MSRB”).

The Series 2015 Bonds

The Series 2015 Bonds will be dated and bear interest from their delivery date, payable each February 15 and August 15, commencing February 15, 2016. The Series 2015 Bonds will bear interest at the rates and mature at the times set forth on the inside cover page of this Official Statement. See “PART 3 – THE SERIES 2015 BONDS – Description of the Series 2015 Bonds.”

Payment of the Series 2015 Bonds

Each Series of the Series 2015 Bonds are special obligations of DASNY payable solely from the Basic Rent payments to be made by the applicable Participating BOCES under the applicable Agreement. Pursuant to the Master Resolution, such payments and DASNY’s right to receive the same have been pledged to the Trustee.

The Act provides that the Comptroller of the State of New York is to deduct from any State funds payable to each Participating BOCES an amount equal to the amount payable by such Participating BOCES to DASNY under the applicable Agreement for the ensuing school year. Such amount will be paid directly to the Trustee. The apportionment of State aid is based on a statutory formula. Both the determination of the amount of State aid and the apportionment of such State aid are legislative acts and the State Legislature may amend or repeal the statutes relating to State aid and the formulas which determine the amount of State aid payable to each Participating BOCES. Such amendments could result in the increase, decrease or elimination of the amount of State aid available for the payment of debt service on the Series 2015 Bonds. The financial condition of the State may affect the amount of State aid appropriated by the State Legislature. See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS.”

No BOCES has the power to levy and collect taxes. The component school districts of each BOCES, however, are required to levy real property taxes to pay their allocable share of their respective BOCES expenses related to the Projects. The component school districts of a BOCES are not required to levy real property taxes to pay the expenses related to the Projects of any other BOCES. The Act provides that the amount due from each Participating BOCES to DASNY under the Agreements constitutes either an “administrative expense” or a “capital expense”, as determined by the Commissioner of the State Education Department. See “PART 4 – BOARDS OF COOPERATIVE EDUCATIONAL SERVICES.”

Security for the Series 2015 Bonds

Each Series of the Series 2015 Bonds will be separately secured by the pledge and assignment to the Trustee of Basic Rent payable under the Applicable Agreement, the proceeds from the sale of the applicable Series 2015 Bonds (until disbursed as provided by the Master Resolution) and all funds and accounts authorized by the Master Resolution and established by the applicable Series 2015 Resolution (with the exception of the Arbitrage Rebate Fund), which include a separate Debt Service Reserve Fund for each Series of Series 2015 Bonds. Each Agreement requires the applicable Participating BOCES to pay Basic Rent to DASNY as well as additional rental fees and expenses of DASNY and the Trustee (together with Basic Rent, the “Rentals”). To secure the payment of the Rentals, each Participating BOCES will assign and pledge to DASNY a portion of any and all public funds

apportioned by the State to such Participating BOCES in an amount sufficient to pay such Rentals. The funds and accounts established by a Series Resolution secure only the Bonds of such Series and do not secure any other Series of Bonds issued under the Master Resolution.

The pledge and assignment of the Basic Rent by SLL BOCES is subordinate to the pledge and assignment made by SLL BOCES in order to secure the 2011 SLL Bonds. As a result, any State funds payable to SLL pursuant to the applicable Agreement will be applied first to the 2011 SLL Bonds and then to the SLL Bonds.

The Refunding Plans

Each Refunding Plan consists of a refunding of all of the applicable Refunded Bonds. See “PART 6 – THE REFUNDING PLAN.”

PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS

Set forth below is a narrative description of certain contractual and statutory provisions relating to the sources of payment and security for the Bonds, including the Series 2015 Bonds, issued under the Master Resolution. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Resolutions, the Agreements and the Agreements of Lease for a more complete description of such provisions. Copies of the Resolutions, the Agreements and the Agreements of Lease are on file with DASNY and the Trustee. See also “Appendix D – Summary of Certain Provisions of the Lease and Agreements” and “Appendix E - Summary of Certain Provisions of the Master Resolution” for a more complete statement of the rights, duties and obligations of the parties thereto.

Payment of the Series 2015 Bonds

The Series 2015 Bonds are special obligations of DASNY. The principal and Redemption Price of and interest on each Series of Series 2015 Bonds are payable solely from the applicable Revenues. The Revenues applicable to a Series of Series 2015 Bonds consist of the Basic Rent required to be paid by the applicable Participating BOCES under the applicable Agreement on account of the principal of and Redemption Price of and interest on the applicable Series of Series 2015 Bonds and to maintain the Debt Service Reserve Fund for such Series at the applicable Debt Service Reserve Fund Requirement as well as the applicable Pledged Revenues and DASNY’s right to receive same. See “Appendix A – Definitions – Revenues.” The Revenues and the right to receive them have been pledged to the Trustee for the benefit of the owners of the applicable Series of Series 2015 Bonds.

Each Participating BOCES is to assign and pledge to DASNY a portion of any and all public funds payable by the State to such Participating BOCES in an amount sufficient to pay all applicable Rentals due under the its applicable Agreement. State aid is normally paid to each Participating BOCES by the State on or about February 1, June 1 and September 1 of each year (but such schedule may be changed by the State in its discretion). The Act provides that the Comptroller of the State of New York (the “State Comptroller”) is to deduct from any State funds to become due to each Participating BOCES an amount equal to the amount payable by such Participating BOCES to DASNY under the Agreements for the ensuing school year and pay such amount to DASNY. It is expected that the September 1 payment of State aid to each Participating BOCES will be sufficient to pay the Basic Rent due on such date (i.e., an amount sufficient to pay principal of and interest on the applicable Series of Series 2015 Bonds on the succeeding February 15 and August 15). To the extent that payments from the State Comptroller to the Trustee are less than the applicable Basic Rent due on September 1, the Participating BOCES would be required to make such payment (with amounts paid later by the State or with other monies of such Participating BOCES) by January 15 (with respect to the February 15 debt service payment) and July 15 (with respect to the August 15 debt service payment).

The Basic Rent payable in connection with each Series of the Series 2015 Bonds is to be paid to the Trustee on or about September 1 of each year commencing on September 1, 2015 in accordance with the provisions of the Act and the terms of the applicable Memorandum of Understanding by and among the New York State Department of Education, the State Comptroller and DASNY. Basic Rent, with respect to each Series of Series 2015 Bonds, is equal to the interest and principal coming due on the next succeeding February 15 and August 15 for such Series of

Series 2015 Bonds. In addition, the installment due on or about September 1 of any year includes the amount, if any, required to restore the applicable Debt Service Reserve Fund to the applicable Debt Service Reserve Fund Requirement or to repay the provider of a Reserve Fund Facility for the Debt Service Reserve Fund amounts due as result of a draw on such Reserve Fund Facility.

Direct Payment by State Comptroller

The Act requires DASNY to certify annually to the Commissioner of Education (the “Commissioner”) the total amount payable to DASNY in each year by each Participating BOCES. The Commissioner is then required by law to certify to the State Comptroller the amount of State aid payable to each Participating BOCES and the amount to be paid by such Participating BOCES to DASNY for the ensuing school year. The State Comptroller is thereafter required by law to deduct the amount so certified as payable to DASNY from any State aid to become due to such Participating BOCES and pay it to or upon the order of DASNY.

The State is not legally obligated to appropriate any moneys for the purpose of providing State aid or assistance to the Participating BOCES or any other BOCES. The apportionment of State aid is based on a statutory formula. Both the determination of the amount of State aid and the apportionment of such State aid are legislative acts and the State Legislature may amend or repeal the statutes relating to State aid and the formulas which determine the amount of State aid payable to BOCES. Such amendments could result in the increase, decrease or elimination of the amount of State aid available for the payment of debt service on the Series 2015 Bonds. The financial condition of the State may affect the amount of State aid appropriated by the State Legislature.

No BOCES has the power to levy and collect taxes. The component school districts of each BOCES, however, are required to levy taxes to pay their allocable share of such BOCES administrative and capital expenses, including the payment of each component school district’s proportionate share of the amount due from each Participating BOCES to DASNY under the applicable Agreement. See “PART 4 – BOARDS OF COOPERATIVE EDUCATIONAL SERVICES.” No BOCES, nor the component school districts thereof, are obligated to pay administrative or capital expenses of any other BOCES.

The Series 2015 Bonds will not be a debt of the State nor will the State be liable thereon. DASNY has no taxing power.

Tax Levy Limitation Law

Historically, the amount of state aid provided to each Participating BOCES exceeded any amount due on each Series of Outstanding Bonds issued by DASNY for the benefit of the Participating BOCES. However, in the event that the amount of state aid due to a Participating BOCES in a particular calendar year (subject to intercept by the Comptroller) is less than the amount that such Participating BOCES owes DASNY in that calendar year, the component school districts of such Participating BOCES will be obligated to levy taxes to pay their allocable share of such Participating BOCES’ administrative expenses, subject to any restrictions provided in State law.

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including the school districts which comprise the component school districts of the Participating BOCES.

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, a school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year’s budget or one hundred twenty percent (120%) of the consumer price index (“CPI”).

The Tax Levy Limitation Law requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year. The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It expires on June 15, 2016 unless other legislation is extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year’s tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year

only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures" are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy," and is an exclusion from the tax levy limitation.

While the Tax Levy Limitation Law may provide an exception for Capital Expenditures, there is no clear exception for payments to be made by a component school district of the Participating BOCES in support of each component school district's proportionate share of the amount due to DASNY under the Agreement. In the event that the amount of state aid due to a Participating BOCES in a particular calendar year (subject to intercept by the Comptroller) is less than the amount that such Participating BOCES owes DASNY in that calendar year, it is not possible to know at this time what affect, if any, the Tax Levy Limitation Law will have on the ability of any component school district of the Participating BOCES to pay its allocable share of administrative expenses, including the payment of such school district's proportionate share of the amount due from the Participating BOCES to DASNY under the Agreement. See "PART 4 - BOARDS OF COOPERATIVE EDUCATIONAL SERVICES."

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. After the ruling NYSUT expressed its intention to appeal the decision and continue its challenge to the constitutionality of the Tax Levy Limitation Law. It is not possible at this time to predict the ultimate outcome of this litigation.

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 ("Chapter 59"), a newly adopted State budget bill includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns,

villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved “government efficiency plan” which demonstrates “three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies”.

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of Chapter 59 for future tax levies and for operations and services of the Participating BOCES are uncertain at this time.

Security for the Series 2015 Bonds

Each Series of the Series 2015 Bonds will be secured by the pledge and assignment to the Trustee of the applicable Basic Rent, the proceeds from the sale of the applicable Series of Series 2015 Bonds (until disbursed as provided by the Master Resolution and the applicable Series Resolution) and all funds and accounts authorized by the Master Resolution and established by the applicable Series Resolution (with the exception of the Arbitrage Rebate Fund), which include a separate Debt Service Reserve Fund, and DASNY’s security interest in the applicable Pledged Revenues. Pursuant to the terms of the Resolutions, the funds and accounts established by a Series Resolution secure only the applicable Series of the Series 2015 Bonds and do not secure any other Series of Bonds issued under the Master Resolution. See “Issuance of Additional Bonds” herein.

The pledge and assignment of the Basic Rent by SLL BOCES is subordinate to the pledge and assignment made by SLL BOCES in order to secure the 2011 SLL Bonds. As a result, any State funds payable to SLL pursuant to the applicable Agreement will be applied first to the 2011 SLL Bonds and then to the SLL Bonds.

Lease Payments

Consistent with the Act, both of the Participating BOCES will, pursuant to its applicable Agreement of Lease, lease certain property on which the applicable Projects are located to DASNY and DASNY will in turn sublease such property and the applicable Project back to such Participating BOCES pursuant to the applicable Agreement. No Series of the Series 2015 Bonds is secured by any real estate interest in a Project. Each Agreement is a general obligation of the applicable Participating BOCES. Each Participating BOCES’ obligation to pay Rentals under the Agreements are absolute and unconditional without any right of set-off, recoupment or counterclaim against DASNY.

DASNY has covenanted for the benefit of the Holders of the Series 2015 Bonds that it will not create, or cause to be created, any lien or charge upon the applicable Revenues or its interest in the applicable Pledged Revenues, the proceeds of the applicable Series 2015 Bonds or the applicable funds or accounts established under the Master Resolution, which is prior to, or equal to, the pledge made by the Master Resolution, other than with respect to the SLL Bonds, the pledge made in connection with the 2011 SLL Bonds.

Pledge and Assignment of State Aid

As additional security for the payment of the applicable Rentals, including applicable Basic Rent, to DASNY, each Participating BOCES will pledge and assign to DASNY, a portion of any and all public funds payable by the State to such Participating BOCES in an amount sufficient to pay such applicable Rentals. Each Participating BOCES further agrees that all State and local officials concerned are authorized to apportion and pay

to or upon the order of DASNY all such pledged funds. The pledge and assignment will be irrevocable (in accordance with the Act) and will continue until the date on which the liabilities of DASNY incurred as a result of the issuance of the applicable Series of Series 2015 Bonds have been paid or otherwise discharged. None of the public funds pledged by a Participating BOCES is to be applied to pay Rentals payable by any other BOCES.

The pledge and assignment of the Basic Rent by SLL BOCES to the SLL Bonds is subordinate to the pledge and assignment made by SLL BOCES in order to secure the 2011 SLL Bonds. As a result, any State funds payable to SLL BOCES pursuant to the applicable Agreement and received by the Trustee will be applied first to payments to be made by SLL BOCES for the 2011 SLL Bonds and second to the payments for the SLL Bonds.

Debt Service Reserve Fund

The Master Resolution requires that the Debt Service Reserve Fund with respect to each Series of Series 2015 Bonds be maintained at its applicable requirement, which is an amount, with respect to each Series of Series 2015 Bonds, equal to one-half of the amount equal to the greatest amount required in the then current or any future calendar year to pay the sum of the principal and Sinking Fund Installments of and interest on the Outstanding Bonds of such Series payable during such calendar year subject to any limitation imposed by the Internal Revenue Code of 1986, as amended (the "Code"). The DCMO Debt Service Reserve Requirement is initially \$1,835,500.00, and the SLL Debt Service Reserve Requirement is initially \$420,656.25. Each Series 2015 Debt Service Reserve Requirement will be recalculated not less often than annually and, if necessary, reduced.

In lieu of or in substitution for moneys, DASNY may deposit or cause to be deposited with the Trustee a Reserve Fund Facility (including a surety bond, insurance policy or letter of credit) for the benefit of the Holders of an Applicable Series of the Bonds for all or any part of the Applicable Debt Service Reserve Requirement. The DCMO Debt Service Reserve Requirement will be funded with a portion of the proceeds of the DCMO Bonds. The SLL Debt Service Reserve Requirement will be funded with a Reserve Fund Facility acquired by SLL BOCES and issued by Municipal Assurance Corp.

Moneys in each applicable Debt Service Reserve Fund are to be withdrawn and deposited in the applicable Debt Service Fund whenever the amount in the applicable Debt Service Fund on the fourth Business Day preceding any interest payment date is less than the amount which is necessary to pay the principal and Sinking Fund Installments, if any, of and interest on Outstanding Bonds of such Series of Series 2015 Bonds payable on such interest payment date. The Master Resolution requires, and each Agreement provides that the amount necessary to restore the applicable Debt Service Reserve Fund to its requirement is to be included in the applicable Basic Rent. Moneys in the applicable Debt Service Reserve Fund in excess of its requirement may be deposited in other funds and accounts for such Series of Series 2015 Bonds and applied by the Trustee in accordance with the Master Resolution. See "Appendix E – Summary of Certain Provisions of the Master Resolution."

Issuance of Additional Bonds

In addition to the Series 2015 Bonds, the Master Resolution authorizes the issuance of other Series of Bonds for each Participating BOCES and other BOCES for other specified purposes, including refunding the Outstanding Bonds issued under the Master Resolution. Each Series of Bonds, including each Series of Series 2015 Bonds, issued under the Master Resolution will be separately secured by the pledge and assignment of the Applicable Revenues, DASNY's interest in the Applicable Pledged Revenues, the proceeds from the sale of such Series of Bonds and all funds and accounts (with the exception of the Arbitrage Rebate Fund) authorized by the Applicable Series Resolution. Any additional Series of Bonds issued to finance or refinance a project for a Participating BOCES would be paid and secured on a subordinate basis to the applicable Series of Series 2015 Bonds unless otherwise consented to by a majority of the holders of the applicable Series of Series 2015 Bonds. Therefore, to the extent applicable Pledged Revenues or applicable Participating BOCES payments of applicable Basic Rent were insufficient to pay for the applicable Outstanding Series 2015 Bonds and such additional Bonds, amounts would be applied first to pay the applicable Outstanding Series 2015 Bonds and then such additional Bonds. In the case of the SLL Bonds, to the extent applicable Pledged Revenues or Basic Rent Payments made by SLL BOCES are insufficient to pay that 2011 SLL Bonds and the SLL Bonds, funds paid to the Trustee shall be applied first to payments to be made for the 2011 SLL Bonds and second to the payments to be made for the SLL Bonds.

General

The Series 2015 Bonds will not be a debt of the State of New York nor will the State be liable thereon. DASNY has no taxing power. See “PART 7 – DASNY.”

Defaults and Remedies under the Agreements

Among the events that would constitute an “event of default” under an Agreement are the failure by the Participating BOCES to pay the applicable Rentals within seven days after they become due or to observe or perform any of the covenants, conditions or agreements contained in the Agreements which continues for the applicable grace period after notice of such failure has been given to such Participating BOCES. In the event any such event of default will have happened and be continuing, DASNY may exercise such remedies available at law or in equity other than termination of the applicable Agreement. In no event will an “event of default” under an Agreement cause an acceleration of the Rentals due under such Agreement.

Defaults and Remedies under the Master Resolution

“Events of Default” under the Master Resolution and an Applicable Series Resolution include: (i) the failure to pay principal, Sinking Fund Installments, if any, or Redemption Price of, and interest on the applicable Series of the Series 2015 Bonds when due; (ii) the failure to comply with the provisions of the Code applicable to the applicable Series of the Series 2015 Bonds necessary to maintain the exclusion of interest thereon from gross income under Section 103 of the Code, with the result that interest on the applicable Series 2015 Bonds is no longer excludable from the gross income of the Holders thereof for purposes of federal income taxation; and (iii) a default by DASNY in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Master Resolution, the applicable Series Resolution or in the applicable Series 2015 Bonds on the part of DASNY to be performed and such default continues for 30 days after written notice specifying such default and requiring same to be remedied will have been given to DASNY by the Trustee, which may give such notice in its discretion and will give such notice at the written request of the Holders of not less than 25% in principal amount of such applicable Outstanding Series 2015 Bonds, unless, if such default is not capable of being cured within 30 days, DASNY has commenced to cure such default within said 30 days and diligently prosecutes the cure thereof.

The Resolutions provide that if an “event of default” occurs and continues, the Trustee may proceed, and upon the written request of the Insurer, if any, or the Applicable Facility Provider of a Reserve Fund Facility, if any, or the written request of the Holders of not less than 25% in principal amount of the applicable Outstanding Series 2015 Bonds (in either case, with the consent of the Insurer, if any), or, in the case of a happening and continuance of an “event of default” specified in clause (ii) above, upon the written request of the Holders of not less than 25% in principal amount of the applicable Outstanding Series 2015 Bonds (with the consent of the Insurer, if any), the Trustee will proceed (subject to the provisions of the Master Resolution), to protect and enforce its rights and the rights of the applicable Bondholders or of such Facility Provider under the Resolutions or under the laws of the State by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained under the Resolutions or in aid or execution of any power therein granted, or for an accounting against DASNY as if DASNY were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee deems most effectual to protect and enforce such rights. In no event will an “event of default” cause an acceleration of the applicable Series of the Series 2015 Bonds under the Resolutions.

In the enforcement of any remedy under the Resolutions, the Trustee may sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from DASNY for principal or interest or otherwise under any of the provisions of the Resolutions or of the Series 2015 Bonds, with interest on overdue payments of the principal of or interest on the applicable Series of Series 2015 Bonds at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings under the Resolutions and under such Series 2015 Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders of such Series 2015 Bonds and to recover and enforce a judgment or decree against DASNY but solely as provided in the Resolutions and in such Series 2015 Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable.

PART 3 – THE SERIES 2015 BONDS

Description of the Series 2015 Bonds

The Series 2015 Bonds will be issued pursuant to the Master Resolution, will be dated the date of delivery and will bear interest at the rates and mature at the times set forth on the inside cover page of this Official Statement.

The Series 2015 Bonds will be issued as fully registered bonds. The Series 2015 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. The Series 2015 Bonds will be registered in the name of Cede & Co., as nominee of DTC, pursuant to DTC's Book-Entry Only System. Purchases of beneficial interests in the Series 2015 Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only System is discontinued for the Series 2015 Bonds, the Series 2015 Bonds of each Series will be exchangeable for other fully registered Series 2015 Bonds of such Series in any other authorized denominations of the same maturity without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Master Resolution. See "Book Entry Only System" herein and "Appendix E – Summary of Certain Provisions of the Master Resolution."

Interest on the Series 2015 Bonds will be payable by check or draft mailed to the registered owners thereof at the address thereof as it appears on the registry books held by the Trustee, provided however, that interest on the Series 2015 Bonds of a Series may be authorized to be paid at the option of a Holder of at least \$1,000,000 in principal amount of the Series 2015 Bonds of such Series by wire transfer to the Holder of such Series 2015 Bonds, each as of the close of business on the February 1 and August 1, as applicable, next preceding an interest payment date. The principal or redemption price of the Series 2015 Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of The Bank of New York Mellon, the Trustee and Paying Agent. As long as the Series 2015 Bonds are registered in the name of Cede & Co., as nominee of DTC, such payments will be made directly to DTC. See "Book-Entry Only System" herein.

For a more complete description of the Series 2015 Bonds, see "Appendix E – Summary of Certain Provisions of the Master Resolution."

Redemption Provisions

Optional Redemption

The SLL Bonds are not subject to optional redemption prior to maturity.

The DCMO Bonds maturing on or before August 15, 2025 are not subject to optional redemption prior to maturity. The DCMO Bonds maturing after August 15, 2025 are subject to redemption prior to maturity on or after August 15, 2025 in any order (a) from amounts in the Debt Service Fund in excess of moneys required to pay interest and principal and in excess of amounts on deposit therein for special redemption, as a whole at any time or in part on any interest payment date, or (b) at the option of DASNY, as a whole or in part at any time, at par plus accrued interest to the redemption date.

Special Redemption

Each Series of Series 2015 Bonds is subject to redemption, in whole or in part, at 100% of the principal amount thereof, at the option of DASNY on any interest payment date, from proceeds of a condemnation or insurance award, which proceeds are not used to repair, restore or replace the applicable Project being refinanced by such Series of Series 2015 Bonds.

The Series 2015 Bonds are not subject to purchase in lieu of redemption.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2015 Bonds. The Series 2015 Bonds will be issued as fully-registered securities 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 Series 2015 Bond certificate will be issued for each maturity of each Series of the Series 2015 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a

“clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity 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.

Purchases of the Series 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2015 Bond (“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 Series 2015 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2015 Bonds, except in the event that use of the book-entry system for the Series 2015 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015 Bonds 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 Series 2015 Bonds 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 Series 2015 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2015 Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the Series 2015 Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2015 Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to DASNY 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 Series 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2015 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from DASNY 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 DASNY, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any,

and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of DASNY 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.

DASNY and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2015 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, and interest on, the Series 2015 Bonds, giving any notice permitted or required to be given to registered owners under the Resolution, registering the transfer of the Series 2015 Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. DASNY and the Trustee shall not have any responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Series 2015 Bonds under or through DTC or any Direct or Indirect Participant, or any other person which is not shown on the registration books of DASNY (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal, redemption premium, if any, or interest on the Series 2015 Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by DASNY; or other action taken by DTC as registered owner. Interest, redemption premium, if any, and principal will be paid by the Trustee to DTC, or its nominee. Disbursement of such payments to the Direct or Indirect Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct or Indirect Participants.

DTC may discontinue providing its service as depository with respect to the Series 2015 Bonds at any time by giving reasonable notice to DASNY and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Series 2015 Bond certificates are required to be printed and delivered.

DASNY may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Series 2015 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that DASNY believes to be reliable, but DASNY takes no responsibility for the accuracy thereof.

Each person for whom a Participant acquires an interest in the Series 2015 Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. **NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2015 BONDS.**

So long as Cede & Co. is the registered owner of the Series 2015 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2015 Bonds (other than under the caption "PART 11—TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2015 Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference only relates to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they will be sent by the Trustee to DTC only.

For every transfer and exchange of Series 2015 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DASNY, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2015 Bonds if DASNY determines that (i) DTC is unable to discharge its responsibilities with respect to the Series 2015 Bonds. or (ii) a continuation of the requirement that all of the Outstanding Series 2015 Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interests of the Beneficial Owners. In the event that no substitute securities depository is found by DASNY or restricted registration is no longer in effect, Series 2015 Bond certificates will be delivered as described in the Resolutions and the Bond Series Certificate.

NEITHER THE AUTHORITY, THE PARTICPATING BOCES NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT, (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2015 BONDS UNDER THE RESOLUTIONS; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF A SERIES OF THE SERIES 2015 BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE SERIES 2015 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2015 BONDS; OR (VI) ANY OTHER MATTER.

Debt Service Requirements

The following tables set forth the amounts required to be paid by each Participating BOCES during each twelve month period ending August 15 of the Bond Years shown for the payment of debt service on the Series 2015 Bonds. The Participating BOCES are required to pay on September 1 of each year an amount equal to the debt service on their respective series of Outstanding Bonds on the succeeding February 15 and August 15. See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS.”

<u>12-Month Period Ended August 15</u>	<u>Debt Service Requirements on DCMO Bonds</u>
2016	\$3,664,350
2017	3,667,700
2018	3,665,200
2019	3,667,600
2020	3,666,200
2021	3,666,000
2022	3,665,750
2023	3,669,000
2024	3,665,250
2025	3,669,500
2026	3,671,000
2027	3,664,500

<u>12-Month Period Ended August 15</u>	<u>Debt Service Requirements on 2011 SLL Bonds</u>	<u>Debt Service Requirements on SLL Bonds</u>	<u>Total SLL BOCES Debt Service Requirements</u>
2016	\$ 556,563	\$ 840,424	\$ 1,396,987
2017	552,713	837,144	1,389,857
2018	555,963	838,094	1,394,057
2019	553,213	836,894	1,390,107
2020	553,763	839,694	1,393,457
2021	553,200	840,494	1,393,694
2022	556,894	835,994	1,392,888
2023	554,644	839,456	1,394,100
2024	554,844	836,525	1,391,369
2025	553,944	841,312	1,395,256
2026	551,944	839,450	1,391,394
2027	553,844	-	553,844
2028	553,813	-	553,813
2029	552,375	-	552,375
2030	554,531	-	554,531

PART 4 – BOARDS OF COOPERATIVE EDUCATIONAL SERVICES

The list of Participating BOCES, a list of Outstanding Series of Bonds to be refunded with the proceeds of each Series of Series 2015 Bonds, the financial advisors to the Participating BOCES and the bond counsel to the Participating BOCES are listed in Appendix B hereto. A general description of BOCES, State Aid to BOCES and obligations of component school districts which are generally applicable to all BOCES in the State is included in this PART 4. Certain financial and economic information for each Participating BOCES is included in Appendix C. The financial statements as of June 30, 2014 of all the Participating BOCES and additional information on certain of the Participating BOCES have been filed by the Participating BOCES with the EMMA system maintained by the MSRB.

General Description of BOCES

The ability to create a Board of Cooperative Educational Services was first established in 1948 and is found in section 1950 of the State Education Law. Initially, the legislation was aimed at enabling small rural school districts to combine their resources to provide services that otherwise would have been uneconomical, inefficient or unavailable. Under the legislation, BOCES are formed regionally (usually by a county or adjoining counties) as a consortium of the public school districts within the region. At present there are 37 BOCES, serving 687 of the 696 school districts in the State. BOCES membership is not available to the five large city school districts in the State: New York City, Buffalo, Rochester, Syracuse and Yonkers.

A BOCES is formed under the State Education Law by the school districts of a supervisory district for the purpose of providing various educational services for such school districts on a cooperative or shared basis, which services may either be too expensive or duplicative for each school district to provide for itself. A BOCES is usually formed by an order of the Commissioner of Education (the “Commissioner”) after a petition has been made requesting the establishment of a BOCES by the respective Boards of Education of the various school districts to be included in the proposed BOCES. The decision to establish a BOCES is not subject to voter approval.

The number of school districts comprising an individual BOCES varies. In each case, the territory within which each BOCES operates encompasses the territory of its component school districts. A school district may decide to join an established BOCES by vote of its board of education without voter approval. Once it has joined, however, a school district may not withdraw and is thereafter obligated for its share of BOCES administrative and capital expenses (including the Rentals due to DASNY under an applicable agreement).

Once formed by the Commissioner, a BOCES is governed by a Board, whose members are elected by the boards of education of the component school districts. A Board consists of five to fifteen members. Members of a BOCES Board are elected at its annual meeting and serve for terms of three years.

BOCES operate under the Education Law and the Rules and Regulations of the Commissioner of Education. The powers of a BOCES are set forth in the Education Law, which provides for their relationship with the local school districts and specifies their duties and responsibilities. A BOCES is not authorized to enter into an agreement with DASNY unless a proposition authorizing the acquisition, construction, reconstruction or financing of a board of cooperative education services school facility and specifying the costs is approved by a majority vote of the voters throughout a BOCES’ component school districts. In addition, a BOCES may not begin construction on any Project unless and until it has been approved by the Commissioner.

Each BOCES is authorized to provide such program services as the Commissioner may approve and must provide any educational service that is (a) requested by the component school districts and (b) approved by the Commissioner, who first determines that the proposed program service meets an educational need and can most effectively be provided on a regional, rather than local, level. Except for BOCES administrative and capital expenses, which are allocated to and are a responsibility of the component school districts to the extent provided by the Education Law, each school district is responsible for the costs of only those educational programs or services in which it decides to participate.

The legislation permits BOCES to provide a wide variety of programs and services, which include:

General Education, including summer school.

Career Education – Vocational training in agriculture, distributive education, health, home economics, business and office programs, technical education and trade, industrial and service education.

Special Education - Educational services for children with special needs.

Management and Instructional Support Services – A wide variety of administrative, educational and extracurricular activities.

Education in the Arts

Environmental Education

State Aid to BOCES

A BOCES has no taxing authority and except for certain Federal grants and payments for services rendered under certain contracts with public agencies, colleges and other entities, derives all of its financial support for operations from its component school districts and the State. State law provides that State aid is paid to a BOCES, and then is to be paid by the BOCES to the component school districts to partially reimburse them for payments made to the BOCES, based upon the amount paid by the component school districts for program services and administrative and capital expenses. The component school districts pay for these expenses through real property tax levies. See “PART 2 -SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS - New Tax Levy Limitation Law.”

Program services are funded by component school districts based on the district’s participation in a specific program. Administrative and capital expenses of a BOCES (including the Rentals due to DASNY under an applicable agreement) are shared on a pro rata apportioned basis (based on attendance or enrollment formulas or property values) by the component school districts. Though the Commissioner may designate Rentals due to DASNY as either administrative or capital expenses, for purposes of apportionment of public monies to the BOCES, such payments shall be aided in the same manner as administrative expenses (subject to certain exceptions outlined below). All State aid payable to a BOCES, including services aid and facilities aid, as well as administrative aid, is available to be applied to pay Rentals.

BOCES costs are paid, and aided by the State, in the following manner:

BOCES Services Aid

When a school district decides to subscribe to one of the BOCES programs, it agrees to pay a tuition or service fee. The aggregate amount of fees equals the BOCES’ costs of providing the service. Each participating school district pays its pro-rata share of the program’s costs.

The participating school district pays its fee in installments during the school year in which the BOCES provides the service, enabling the BOCES to meet payroll and other expenses. These payments are made on an estimated basis during the year. At the end of the school year, the exact cost is determined by audit.

The audited cost then becomes the basis on which State aid is calculated. These moneys are then paid to the BOCES in the school year following the school year in which the service was provided. The BOCES, in turn, allocates and pays this money to the component school districts as a reimbursement in the same school year that the BOCES receives it from the State. Therefore, in any given year, a school district will be paying to the BOCES its share of the estimated cost of the program it is currently participating in and will also be receiving moneys from the BOCES from State aid intended to partially reimburse such school districts for its share of audited educational costs paid by it to the BOCES in the prior year.

The amount of State aid paid to each BOCES is the sum of the amounts determined for each component school district by applying a State aid formula, which is prescribed by statute. Since this formula includes in its calculation the tax rate and actual valuation of taxable property of the various component school districts, the amount of the aid actually paid to each BOCES varies depending upon these tax rates and property valuations. In all cases, the amount of State aid is less than the total costs of each BOCES program services. Each school district is therefore directly responsible to its BOCES for its share of the cost of educational programs in which it participates, with State aid reimbursing a portion of the school district’s share.

BOCES Administrative Aid

BOCES administrative and capital expenses, including the Rentals due to DASNY under an applicable agreement, are charged against all component school districts based upon attendance or enrollment formulas or property values and regardless of their participation in any BOCES educational program.

Rentals due to DASNY are aided by the State in the same manner as administrative expenses with two exceptions. First, certain BOCES administrative expenses cannot exceed in the aggregate, for purposes of State aid payments, 10% of the total BOCES expenses, including the program operating expenses. However, the entire amount of BOCES payments to DASNY, as well as certain other BOCES expenses, are not subject to the 10% limit in calculating State aid. Second, unlike State aid for BOCES program operating expenses, which is received by each BOCES (and therefore by its component school districts) in the school year following the school year of expenditure, State aid for BOCES payments to DASNY may be received by each BOCES in the current school year in which such payment is made. The State appropriations for this aid are made on an estimated basis and are paid to each BOCES. In all cases, the amount of State aid for administrative expenses is less than the actual amount of these administrative expenses. Each school district is therefore directly responsible to its BOCES for its share of administrative expenses, with State aid reimbursing a portion of the school district's share.

BOCES Facilities Aid

BOCES' facilities expenses are capital expenses and are charged against all component school districts based upon attendance or enrollment formulas or property values and regardless of their participation in any BOCES educational program.

BOCES facilities aid may be claimed for approved expenditures for facility construction, purchase or lease incurred for approved projects. The amount of aid payable on account of approved expenses is determined by multiplying the approved expenses by the aid ratio established by the State Education Law. Approved expenses are those incurred by the component school district during the current school year for approved debt service payments on debt instruments used to finance BOCES construction, for expenditures in support of BOCES construction and for expenditures for lease of BOCES facilities. In all cases, the amount of State aid for facilities expenses is less than the actual amount of these facilities expenses. Each school district is therefore directly responsible to its BOCES for its share of facilities expenses, with State aid reimbursing a portion of the school district's share of the costs of approved projects.

State Appropriations

The State has made appropriations to the BOCES program in each year since 1949 when the program was initiated. The amount of State aid payable to each BOCES has varied in accordance with a statutory formula set forth in the Education Law, except that payments in lieu of BOCES aid were made for the school year ending June 30, 2002 in an amount specified by the Legislature. The amount apportioned by the State for payment to a BOCES during a BOCES school year, which ends June 30th, is payable in installments, approximately 25% of which is payable in February, approximately 30% of which is payable in June, and the remaining balance is payable in September. During BOCES fiscal year, the State aid payment made in February is made in one State fiscal year, and the State aid payments made in June and September occur in the subsequent State fiscal year.

All of the State aid payable to each participating BOCES is subject to intercept by the State Comptroller under the Act up to the amount of the applicable Rentals payable by such BOCES under its Agreement with DASNY. *While the BOCES program has received State aid in each year since its inception, both the determination of the amount of State aid and the apportionment of such State aid are legislative acts and the State Legislature may amend or repeal the statutes relating to State aid and the formulas which determine the amount of State aid payable to each BOCES. Such amendments could result in the increase, decrease or elimination of the amount of State aid available for the payment of debt service on the Series 2015 Bonds. The financial condition of the State may affect the amount of State aid appropriated by the State Legislature.*

Obligations of Component School Districts

All component school districts are required to pay their allocable share of BOCES administrative and capital expenses notwithstanding that they may elect not to participate in any of BOCES educational programs. Each component school district pays a proportional share of the applicable BOCES administrative and capital expenses (based on attendance or enrollment formulas or property values) through tax levies and local school boards vote on BOCES administrative and capital budgets each spring. See "PART 2 -SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS - New Tax Levy Limitation Law." The portion of the budget allocated to payments to DASNY, however, is not subject to such vote of the local school boards. The Education

Law requires that each component school district add the amount of its share of BOCES administrative expenses to its budget and pay such amount to the applicable BOCES. The moneys collected for and on behalf of a BOCES by each component school district are required by law to be paid by the school district to such BOCES treasurer. Under other provisions of New York law, component school districts of a BOCES are political subdivisions of the State of New York and (with certain exceptions) have the power to levy and collect ad valorem taxes on real property.

Under New York law, if the budget of a school district is not approved by the voters, provision is made for the board of education of the school district to adopt, without voter approval, a contingent budget to pay for the basic or minimal needs of the school district subject to statutory caps which will include its allocable share of BOCES administrative and capital expenses.

All the taxable property of each such school district is subject to levy of ad valorem taxes, without limitation as to rate or amount, to pay the school district's allocable share of the applicable BOCES administrative and capital expenses. See "PART 2 -SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS - New Tax Levy Limitation Law." In addition, each county or other political subdivision having responsibility for the enforcement of delinquent school taxes is required to pay to the school districts the full amount of school taxes which remain uncollected before the end of the school year.

Pension Payments.

Eligible BOCES employees participate in the New York State Employee Retirement System ("ERS") or the Teachers Retirement System ("TRS"). See Appendix C for a table of payments made by each Participating BOCES to ERS and TRS for the 2011-2012 through 2014-2015 fiscal years.

GASB 45 and OPEB.

OPEB refers to "other post-employment benefits," meaning post retirement benefits other than pension benefits. OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB") requires BOCES to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most entities have not set aside any funds against this liability.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each BOCES. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a BOCES contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the BOCES account for its unfunded accrued liability and compliance in meeting its ARC. The unfunded actuarial accrued liability of a particular BOCES could have a material adverse impact on such BOCES's finances.

See Appendix C for a discussion of the impact of GASB 45 on each of the Participating BOCES.

PART 5 – THE REFUNDING PLANS

The Refunding Plan for each Series of Series 2015 Bonds consists of the refunding of all of the Outstanding Master BOCES Program Lease Revenue Bonds of the applicable Participating BOCES identified in Appendix B hereto and collectively referred to herein as the "Refunded Bonds".

DCMO Bonds

In 2007, DASNY issued its Master BOCES Program Lease Revenue Bonds (Delaware, Chenango, Madison and Otsego Issue), Series 2007 (the "Series 2007 Delaware, Chenango, Madison and Otsego Bonds") in the original aggregate principal amount of \$47,755,000 for the benefit of Delaware, Chenango, Madison and Otsego BOCES. A portion of the proceeds of the DCMO Bonds and other available funds will be used to pay the principal,

interest and redemption price of all or a portion of the Outstanding Series 2007 Delaware, Chenango, Madison and Otsego Bonds (the “Delaware, Chenango, Madison and Otsego Refunded Bonds”). A portion of the proceeds of the DCMO Bonds and other funds will be used to acquire Defeasance Securities (as defined in Appendix A), the maturing principal and interest on which will be sufficient, together with any uninvested cash, to pay the interest on and the principal and redemption price of all of the Delaware, Chenango, Madison and Otsego Refunded Bonds on the date fixed for redemption. The Defeasance Securities and cash described above will be deposited with the trustee under the Master Resolution upon the issuance and delivery of the DCMO Bonds and will be held in trust solely for the payment of the redemption price of and interest on the Delaware, Chenango, Madison and Otsego Refunded Bonds. At the time of or prior to such deposit, DASNY will give such trustee irrevocable instructions to give notice of the refunding and redemption of the Delaware, Chenango, Madison and Otsego Refunded Bonds and to apply the proceeds from the Defeasance Securities, together with any initial cash deposit, to the payment of the redemption price of and interest on the Delaware, Chenango, Madison and Otsego Refunded Bonds. In the opinion of Hodgson Russ LLP and Golden Holley James, LLP, Co-Bond Counsel, upon making such deposits with such trustee and the issuance of certain irrevocable instructions to such trustee, the Delaware, Chenango, Madison and Otsego Refunded Bonds will, under the terms of the Master Resolution, be deemed to have been paid and will no longer be outstanding under the Master Resolution and the pledge of the revenues or other moneys and securities pledged to the Delaware, Chenango, Madison and Otsego Refunded Bonds shall be discharged and satisfied. See “PART 16 – VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

SLL Bonds

In 2007, DASNY issued its Master BOCES Program Lease Revenue Bonds (The Sole Supervisory District of St. Lawrence-Lewis Issue), Series 2007 (the “Series 2007 St. Lawrence-Lewis Bonds”) in the original aggregate principal amount of \$10,500,000 for the benefit of St. Lawrence-Lewis BOCES. A portion of the proceeds of the SLL Bonds and other available funds will be used to pay the principal, interest and redemption price of all the Outstanding Series 2007 St. Lawrence-Lewis Bonds (the “St. Lawrence-Lewis Refunded Bonds”). A portion of the proceeds of the SLL Bonds and other available funds will be used to acquire Defeasance Securities (as defined in Appendix A), the maturing principal and interest on which will be sufficient, together with any uninvested cash, to pay the interest on and the principal and redemption price of all of the St. Lawrence-Lewis Refunded Bonds on the date fixed for redemption. The Defeasance Securities and cash described above will be deposited with the trustee under the Master Resolution upon the issuance and delivery of the SLL Bonds and will be held in trust solely for the payment of the redemption price of and interest on the Series 2007 St. Lawrence-Lewis Refunded Bonds. At the time of or prior to such deposit, DASNY will give such trustee irrevocable instructions to give notice of the refunding and redemption of the St. Lawrence-Lewis Refunded Bonds and to apply the proceeds from the Defeasance Securities, together with any initial cash deposit to the payment of the redemption price of and interest on the St. Lawrence-Lewis Refunded Bonds. In the opinion of Hodgson Russ LLP and Golden Holley James, LLP, Co-Bond Counsel, upon making such deposit with such trustee and the issuance of certain irrevocable instructions to such trustee, the St. Lawrence-Lewis Refunded Bonds will, under the terms of the Master Resolution, be deemed to have been paid and will no longer be outstanding under the Master Resolution and the pledge of the revenues or other moneys and securities pledged to the St. Lawrence-Lewis Refunded Bonds shall be discharged and satisfied. See “PART 16 – VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

PART 6 – ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are as follows:

	<u>DCMO Bonds</u>	<u>SLL Bonds</u>
Sources of Funds		
Principal Amount of the Series 2015 Bonds	\$32,625,000	\$7,860,000
Net Original Issue Premium	4,508,399	119,332
Transfer from Refunded Bonds Funds and Accounts	<u>4,837,931</u>	<u>676,716</u>
Total Sources	\$41,971,330	\$8,656,048
Uses of Funds		
Deposit to Refunding Escrow	\$39,770,768	\$8,391,529
Deposit to the DCMO Debt Service Reserve Fund	1,835,500	-
SLL BOCES Reserve Fund Facility Fee	-	5,048
Costs of Issuance ¹	232,278	212,940
Underwriter's Discount	<u>132,784</u>	<u>46,531</u>
Total Uses	\$41,971,330	\$8,656,048

¹ Includes certain legal fees, issuer fees, rating agency fees and other expenses.

PART 7 – DASNY

Background, Purposes and Powers

DASNY is a body corporate and politic constituting a public benefit corporation. DASNY was created in 1944 to finance and build dormitories at State teachers' colleges to provide housing for the large influx of students returning to college on the G.I. Bill following World War II. Over the years, the State Legislature has expanded DASNY's scope of responsibilities. Today, pursuant to the Dormitory Authority Act, DASNY is authorized to finance, design, construct or rehabilitate facilities for use by a variety of public and private not-for-profit entities.

DASNY provides financing services to its clients in three major areas: public facilities; not-for-profit healthcare; and independent higher education and other not-for-profit institutions. DASNY issues State-supported debt, including State Personal Income Tax Revenue Bonds and State Sales Tax Revenue Bonds, on behalf of public clients such as The State University of New York, The City University of New York, the Departments of Health and Education of the State, the Office of Mental Health, the Office of People with Developmental Disabilities, the Office of Alcoholism and Substance Abuse Services, the Office of General Services, and the Office of General Services of the State on behalf of the Department of Audit and Control. Other public clients for whom DASNY issues debt include Boards of Cooperative Educational Services ("BOCES"), State University of New York, the Workers' Compensation Board, school districts across the State and certain cities and counties that have accessed DASNY for the purpose of providing court facilities. DASNY's private clients include independent colleges and universities, private hospitals, certain private secondary schools, special education schools, facilities for the aged, primary care facilities, libraries, museums, research centers and government-supported voluntary agencies, among others.

To carry out its programs, DASNY is authorized to issue and sell negotiable bonds and notes to finance the construction of facilities for such institutions, to issue bonds or notes to refund outstanding bonds or notes and to lend funds to such institutions. At March 31, 2015, DASNY had approximately \$45.7 billion aggregate principal amount of bonds and notes outstanding. DASNY also is authorized to make tax-exempt leases, with its Tax-Exempt Leasing Program (TELP). As part of its operating activities, DASNY also administers a wide variety of grants authorized by the State for economic development, education and community improvement and payable to both public and private grantees from proceeds of State Personal Income Tax Revenue Bonds issued by DASNY.

DASNY is a conduit debt issuer. Under existing law, and assuming continuing compliance with tax law, interest on most bonds and notes issued by DASNY has been determined to be excludable from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. All of DASNY's outstanding bonds and notes, both fixed and variable rate, are special obligations of DASNY payable solely from

payments required to be made by or for the account of the client institution for which the particular special obligations were issued. DASNY has no obligation to pay its special obligations other than from such payments. DASNY has always paid the principal of and interest on all of its obligations on time and in full; however, as a conduit debt issuer, payments on DASNY's special obligations are solely dependent upon payments made by DASNY's client for which the particular special obligations were issued and the security provisions relating thereto.

DASNY also offers a variety of construction services to certain educational, governmental and not-for-profit institutions in the areas of project planning, design and construction, monitoring project construction, purchasing of furnishings and equipment for projects, interior design of projects and designing and managing projects to rehabilitate older facilities.

In connection with the powers described above, DASNY has the general power to acquire real and personal property, give mortgages, make contracts, operate certain facilities and fix and collect rentals or other charges for their use, contract with the holders of its bonds and notes as to such rentals and charges, borrow money and adopt a program of self-insurance.

DASNY has a staff of approximately 490 employees located in three main offices (Albany, New York City and Buffalo) and at approximately 48 field sites across the State.

Governance

DASNY is governed by an eleven-member board. Board members include the Commissioner of Education of the State, the Commissioner of Health of the State, the State Comptroller or one member appointed by him or her who serves until his or her successor is appointed, the Director of the Budget of the State, one member appointed by the Temporary President of the State Senate, one member appointed by the Speaker of the State Assembly and five members appointed by the Governor, with the advice and consent of the Senate, for terms of three years. The Commissioner of Education of the State, the Commissioner of Health of the State and the Director of the Budget of the State each may appoint a representative to attend and vote at DASNY meetings. The members of DASNY serve without compensation, but are entitled to reimbursement of expenses incurred in the performance of their duties. One of the appointments to the Board by the Governor is currently vacant.

The Governor of the State appoints a Chair from the members appointed by him or her and the members of DASNY annually choose the following officers, of which the first two must be members of DASNY: Vice-Chair, Secretary, Treasurer, Assistant Secretaries and Assistant Treasurers.

The current members of DASNY are as follows:

ALFONSO L. CARNEY, JR., *Chair*, New York.

Alfonso L. Carney, Jr. was reappointed as a Member of DASNY by the Governor on June 19, 2013. Mr. Carney is a principal of Rockwood Partners, LLC, which provides medical consulting services in New York City. He has served as Acting Chief Operating Officer and Corporate Secretary for the Goldman Sachs Foundation in New York where, working with the President of the Foundation, he managed the staff of the Foundation, provided strategic oversight of the administration, communications and legal affairs teams, and developed selected Foundation program initiatives. Mr. Carney has held senior level legal positions with Altria Group Inc., Philip Morris Companies Inc., Philip Morris Management Corporation, Kraft Foods, Inc. and General Foods Corporation. Mr. Carney holds a Bachelor's degree in philosophy from Trinity College and a Juris Doctor degree from the University of Virginia School of Law. His current term expires on March 31, 2016.

JOHN B. JOHNSON, JR., *Vice-Chair*, Watertown.

John B. Johnson, Jr. was reappointed as a Member of DASNY by the Governor on June 19, 2013. Mr. Johnson is Chairman of the Board of the Johnson Newspaper Corporation, which publishes the Watertown Daily Times, Batavia Daily News, Malone Telegram, Catskill Daily Mail, Hudson Register Star, Ogdensburg Journal, Massena-Potsdam Courier Observer, seven weekly newspapers and three shopping newspapers. He holds a Bachelor's degree from Vanderbilt University, and Master's degrees in Journalism and Business Administration from the Columbia University Graduate School of Journalism and Business. Mr. Johnson was awarded an Honorary Doctor of Science degree from Clarkson University. Mr. Johnson's term expires on March 31, 2016.

SANDRA M. SHAPARD, *Secretary*, Delmar.

Sandra M. Shapard was appointed as a Member of DASNY by the State Comptroller on January 21, 2003. Ms. Shapard served as Deputy Comptroller for the Office of the State Comptroller from 1995 until her retirement in

2001, during which time she headed the Office of Fiscal Research and Policy Analysis and twice served as Acting First Deputy Comptroller. Previously, Ms. Shapard held the positions of Deputy Director and First Deputy Director for the New York State Division of the Budget from 1991 to 1994. She began her career in New York State government with the Assembly where she held the positions of Staff Director of the Office of Counsel to the Majority, Special Assistant to the Speaker, and Deputy Director of Budget Studies for the Committee on Ways and Means. A graduate of Mississippi University for Women, Ms. Shapard received a Masters of Public Administration from Harvard University, John F. Kennedy School of Government, where she has served as visiting lecturer, and has completed graduate work at Vanderbilt University.

JONATHAN H. GARDNER, Esq., Buffalo.

Jonathan H. Gardner was appointed as a Member of DASNY by the Governor on June 17, 2014. Mr. Gardner is a partner of the law firm Kavinoky Cook, LLP in Buffalo, New York. His practice areas include corporate and securities law, commercial transactions, private placements, venture capital financing and business combinations representing private and public companies. Mr. Gardner is also an adjunct professor at the University of Buffalo Law School. He holds a Bachelor of Arts degree from Brown University and a Juris Doctor degree from the University of Chicago Law School. Mr. Gardner's term expired on March 31, 2015 and by law he continues to serve until a successor shall be chosen and qualified.

BERYL L. SNYDER, J.D., New York.

Beryl L. Snyder was reappointed as a member of DASNY by the Governor on June 19, 2013. Ms. Snyder is a principal in HBJ Investments, LLC, an investment company where her duties include evaluation and analysis of a wide variety of investments in, among other areas: fixed income, equities, alternative investments and early stage companies. She holds a Bachelor of Arts degree in History from Vassar College and a Juris Doctor degree from Rutgers University. Her current term expires on August 31, 2016.

GERARD ROMSKI, Esq., Mount Kisco.

Gerard Ronski was reappointed as a Member of DASNY by the Temporary President of the State Senate on June 21, 2012. He is Counsel and Project Executive for "Arverne by the Sea," where he is responsible for advancing and overseeing all facets of "Arverne by the Sea," one of New York City's largest mixed-use developments located in Queens, New York. Mr. Ronski is also of counsel to the New York City law firm of Rich, Intelisano & Katz, LLP. Mr. Ronski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

ROMAN B. HEDGES, Ph.D., Delmar.

Roman B. Hedges was appointed as a Member of DASNY by the Speaker of the State Assembly on February 24, 2003. Dr. Hedges serves on the Legislative Advisory Task Force on Demographic Research and Reapportionment. He is the former Deputy Secretary of the New York State Assembly Committee on Ways and Means. He was an Associate Professor of Political Science and Public Policy at the State University of New York at Albany where he taught graduate and undergraduate courses in American politics, research methodology, and public policy. Dr. Hedges previously served as the Director of Fiscal Studies of the Assembly Committee on Ways and Means. Dr. Hedges holds a Doctor of Philosophy and a Master of Arts degree from the University of Rochester and a Bachelor of Arts degree from Knox College.

ELIZABETH BERLIN, *Acting Commissioner of Education of the State of New York*, Bethlehem; *ex-officio*.

Elizabeth Berlin was appointed by the Board of Regents to serve as Acting Commissioner of Education on January 3, 2015. As Acting Commissioner of Education, Ms. Berlin serves as Executive Deputy Commissioner of the State Education Department, part of the University of the State of New York, which is comprised of public and non-public elementary and secondary schools, public and independent colleges and universities, libraries, museums, broadcasting facilities, historical repositories, proprietary schools and services for children and adults with disabilities. Formerly, Ms. Berlin served as the Executive Deputy Commissioner of the New York State Office of Temporary and Disability Assistance. Prior thereto she served as Commissioner of the Albany County Department of Social Services. Ms. Berlin holds a Bachelor of Arts degree from Siena College.

HOWARD A. ZUCKER, M.D., J.D., *Commissioner of Health of the State of New York*, Albany; *ex-officio*.

Howard A. Zucker, M.D., J.D., was appointed Commissioner of Health on May 5, 2015 after serving as Acting Commissioner of Health since May 5, 2014. Prior to that he served as First Deputy Commissioner leading the state Department of Health's preparedness and response initiatives in natural disasters and emergencies. Before

joining the state Department of Health, Dr. Zucker was professor of Clinical Anesthesiology at Albert Einstein College of Medicine of Yeshiva University and a pediatric cardiac anesthesiologist at Montefiore Medical Center. He was also an adjunct professor at Georgetown University Law School where he taught biosecurity law. Dr. Zucker earned his medical degree from George Washington University School of Medicine. He also holds a J.D. from Fordham University School of Law and a LL.M. from Columbia Law School.

MARY BETH LABATE, *Budget Director of the State of New York, Albany; ex-officio.*

Mary Beth Labate was appointed Budget Director on January 16, 2015. She is responsible for the overall development and management of the State's fiscal policy, including overseeing the preparation of budget recommendations for all State agencies and programs, economic and revenue forecasting, tax policy, fiscal planning, capital financing and management of the State's debt portfolio. Ms. Labate previously served as First Deputy Budget Director where she was responsible for managing the day to day operations of the Division of the Budget and playing a lead role in negotiating, establishing and executing the State Budget. Prior thereto, she held leadership positions at the Division of the Budget, the New York State Office of Parks, Recreation and Historic Preservation, and the New York State Division of Housing and Community Renewal. Ms. Labate holds a Bachelor of Arts degree from the University of Notre Dame and a Masters degree in Public Administration from the Rockefeller School of Public Affairs.

The principal staff of DASNY is as follows:

PAUL T. WILLIAMS, JR. is currently the President and chief executive officer of DASNY. Mr. Williams is responsible for the overall management of DASNY's administration and operations. Prior to joining DASNY, Mr. Williams spent the majority of his career in law including 15 years as a founding partner in Wood, Williams, Rafalsky & Harris, where he helped to develop a national bond counsel practice, then as a partner in Bryan Cave LLP, where he counseled corporate clients in a range of areas. Mr. Williams later left the practice of law to help to establish a boutique Wall Street investment banking company where he served as president for several years. Throughout his career, Mr. Williams has made significant efforts to support diversity and promote equal opportunity, including his past service as president of One Hundred Black Men, Inc. and chairman of the Eagle Academy Foundation. Mr. Williams is licensed to practice law in the State of New York and holds a Bachelor's degree from Yale University and a Juris Doctor degree from Columbia University School of Law.

The Governor has announced the appointment of Gerrard P. Bushell as President of DASNY. His appointment is subject to the confirmation of the State Senate.

MICHAEL T. CORRIGAN is the Vice President of DASNY, and assists the President in the administration and operation of DASNY. Mr. Corrigan came to DASNY in 1995 as Budget Director, and served as Deputy Chief Financial Officer from 2000 until 2003. He began his government service career in 1983 as a budget analyst for Rensselaer County and served as the County's Budget Director from 1986 to 1995. Immediately before coming to DASNY, he served as the appointed Rensselaer County Executive for a short period. Mr. Corrigan holds a Bachelor's degree in Economics from the State University of New York at Plattsburgh and a Master's degree in Business Administration from the University of Massachusetts.

PORTIA LEE is the Managing Director of Public Finance and Portfolio Monitoring. She is responsible for supervising and directing DASNY bond issuance in the capital markets, implementing and overseeing financing programs, overseeing DASNY's compliance with continuing disclosure requirements and monitoring the financial condition of existing DASNY clients. Ms. Lee previously served as Senior Investment Officer at the New York State Comptroller's Office where she was responsible for assisting in the administration of the long-term fixed income portfolio of the New York State Common Retirement Fund, as well as the short-term portfolio, and the Securities Lending Program. From 1995 to 2005, Ms. Lee worked at Moody's Investors Service where she most recently served as Vice President and Senior Credit Officer in the Public Finance Housing Group. She holds a Bachelor's degree from the State University of New York at Albany.

LINDA H. BUTTON is the Acting Chief Financial Officer and Treasurer of DASNY. Ms. Button oversees and directs the activities of the Office of Finance. She is responsible for supervising DASNY's investment program, general accounting, accounts payable, accounts receivable and financial reporting functions, as well as the development and implementation of financial policies, financial management systems and internal controls for financial reporting. Ms. Button has served in various capacities at DASNY over a long career, most recently as Director, Financial Management in the Office of Finance. She holds a Bachelor of Business Administration degree in Accounting from Siena College.

MICHAEL E. CUSACK is General Counsel to DASNY. Mr. Cusack is responsible for all legal services including legislation, litigation, contract matters and the legal aspects of all DASNY financings. He is licensed to practice law in the State of New York and the Commonwealth of Massachusetts, as well as the United States District Court for the Northern District of New York. Mr. Cusack has over twenty years of combined legal experience, including management of an in-house legal department and external counsel teams (and budgets) across a five-state region. He most recently served as of counsel to the Albany, New York law firm of Young/Sommer, LLC, where his practice included representation of upstate New York municipalities, telecommunications service providers in the siting of public utility/personal wireless service facilities and other private sector clients. He holds a Bachelor of Science degree from Siena College and a Juris Doctor degree from Albany Law School of Union University.

STEPHEN D. CURRO, P.E. is the Managing Director of Construction. Mr. Curro is responsible for DASNY's construction groups, including design, project management, purchasing, contract administration, interior design, and engineering and other technology services. Mr. Curro joined DASNY in 2001 as Director of Technical Services, and most recently served as Director of Construction Support Services. He is a registered Professional Engineer in New York and has worked in the construction industry for more than 30 years. He holds a Bachelor of Science in Civil Engineering from the University of Rhode Island, a Master of Engineering in Structural Engineering from Rensselaer Polytechnic Institute and a Master of Business Administration from Rensselaer Polytechnic Institute's Lally School of Management.

CAPRICE SPANN is the Managing Director of the Office of Executive Initiatives. Ms. Spann is responsible for strategic efforts in program development, including the utilization of Minority and Women-Owned Businesses and Service-Disabled Veteran-Owned ("SDVO") Business Enterprises, sustainability, training and marketing, as well as communications with DASNY's clients, vendors, the public and governmental officials. She holds a Bachelor of Arts degree from the University of Wisconsin and a Master of Business Administration from Fordham University.

Claims and Litigation

Although certain claims and litigation have been asserted or commenced against DASNY, DASNY believes that such claims and litigation either are covered by insurance or by bonds filed with DASNY, or that DASNY has sufficient funds available or the legal power and ability to seek sufficient funds to meet any such claims or judgments resulting from such matters.

Other Matters

New York State Public Authorities Control Board

The New York State Public Authorities Control Board (the "PACB") has authority to approve the financing and construction of any new or reactivated projects proposed by DASNY and certain other public authorities of the State. The PACB approves the proposed new projects only upon its determination that there are commitments of funds sufficient to finance the acquisition and construction of the projects. DASNY obtains the approval of the PACB for the issuance of all of its bonds and notes.

Legislation

From time to time, bills are introduced into the State Legislature which, if enacted into law, would affect DASNY and its operations. DASNY is not able to represent whether such bills will be introduced or become law in the future. In addition, the State undertakes periodic studies of public authorities in the State (including DASNY) and their financing programs. Any of such periodic studies could result in proposed legislation which, if adopted, would affect DASNY and its operations.

Environmental Quality Review

DASNY complies with the New York State Environmental Quality Review Act and with the New York State Historic Preservation Act of 1980, and the respective regulations promulgated thereunder to the extent such acts and regulations are applicable.

Independent Auditors

The accounting firm of KPMG LLP audited the financial statements of DASNY for the fiscal year ended March 31, 2014. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 8 – LEGALITY OF THE SERIES 2015 BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2015 Bonds are securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees, committees, conservators and other fiduciaries of the State may properly and legally invest funds in their control. However, enabling legislation or bond resolutions of individual public benefit corporations and authorities of the State may limit the investment of funds of such authorities in the Series 2015 Bonds.

The Series 2015 Bonds may be deposited with the State Comptroller to secure deposits of State moneys in banks, trust companies and industrial banks.

PART 9 – NEGOTIABLE INSTRUMENTS

The Series 2015 Bonds shall be negotiable instruments as provided in the Act, subject to the provisions for registration and transfer contained in the Master Resolution and in the Series 2015 Bonds.

PART 10 – TAX MATTERS

General

In the opinion of each Co-Bond Counsel, under existing law and assuming compliance by DASNY and each of the Delaware, Chenango, Madison and Otsego BOCES and St. Lawrence-Lewis BOCES (each, a “Participating BOCES”) with certain covenants and the requirements of the Code described below and the accuracy and completeness of certain representations of DASNY and each Participating BOCES, interest on each Series of the Series 2015 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”) and is not an item of tax preference for purposes of the federal alternative minimum tax on individuals and corporations under the Code. Such interest is, however, taken into account in determining adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

The Code, as amended to the date hereof, establishes certain requirements that must be met as of and subsequent to the issuance and delivery of each Series of the Series 2015 Bonds for interest thereon to be and remain excludable from gross income for federal income tax purposes. Included among these requirements are regarding, among other matters, the use, expenditure and investment of the proceeds of, in the case of DASNY, the Series 2015 Bonds, and in the case of each Participating BOCES, its Series of the Series 2015 Bonds and the timely payment of certain investment earnings to the United States Treasury. Failure to comply with the requirements of the Code applicable to a Series of the Series 2015 Bonds may cause interest on such Series of the Series 2015 Bonds to be includable in gross income for purposes of federal income tax retroactive to the date of original execution and delivery of such Series of the Series 2015 Bonds, regardless of the date on which the event causing such inclusion occurs.

DASNY shall covenant in each tax certificate to be executed and delivered by DASNY in connection with the issuance of each Series of the Series 2015 Bonds to comply with the requirements of the Code applicable to such Series of the Series 2015 Bonds in order to maintain the exclusion of the interest on such Series of the Series 2015 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. Each Participating BOCES shall covenant in its tax certificate to be executed and delivered in connection with the issuance of the Series of the Series 2015 Bonds related to such Participating BOCES, to comply with the requirements of the Code applicable to its related Series of the Series 2015 Bonds in order to maintain the exclusion of the interest on such Series of the Series 2015 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. Each of the Delaware, Chenango, Madison and Otsego BOCES and St. Lawrence-Lewis BOCES has covenanted in the DCMO Agreement and SLL Agreement, respectively, and in the related Tax Certificate to be executed in connection with its related Series of the Series 2015 Bonds, that it will not take any action, permit any action to be taken, or omit to take any action, which action or omission will adversely affect the exclusion of interest on its related Series of the Series 2015 Bonds from gross income for federal income tax purposes.

Interest on the Series 2015 Bonds is not treated as an item of tax preference for purposes of calculating the alternative minimum tax imposed on individuals and corporations under the Code. Interest on Series 2015 Bonds owned by a corporation will, however, be included in the calculation of the corporation's federal alternative minimum tax liability. The Code contains other provisions (some of which are noted below) that could result in tax consequences, upon which each Co-Bond Counsel renders no opinion, as a result of ownership of the Series 2015 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.

The Code contains other provisions (some of which are noted below) that could result in tax consequences, upon which neither Co-Bond Counsel renders any opinion, as a result of ownership of the Series 2015 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.

In rendering its opinion with respect to each Series of the Series 2015 Bonds, each Co-Bond Counsel has relied on certain representations, undertakings, certifications of fact and statements of reasonable expectations made by DASNY and the applicable Participating BOCES, and each Co-Bond Counsel has assumed compliance by DASNY and the applicable Participating BOCES with certain ongoing covenants to carry out such undertakings and comply with applicable requirements of the Code to assure the exclusion of interest on such Series of the Series 2015 Bonds from gross income under Section 103 of the Code. Co-Bond Counsel will not independently verify the accuracy of those representations, certification of fact and statements of reasonable expectations.

Each Co-Bond Counsel is further of the opinion that interest on each Series of the Series 2015 Bonds is exempt under existing laws from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York and the City of Yonkers. See "Appendix E – Form of Approving Opinions of Co-Bond Counsel".

Certain requirements and procedures contained or referred to in the Resolutions, the DCMO Agreement, the SLL Agreement, the various tax certificates and other relevant documents may be changed, and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of Co-Bond Counsel. The opinions of Hodgson Russ LLP and Golden Holley James, LLP, state that such firms, as Co-Bond Counsel, express no opinion as to the effect on the exclusion from gross income of interest on any Series of the Series 2015 Bond if any such change occurs or action is taken or not taken after the date of delivery of such Series of the Series 2015 Bonds upon the in reliance on the opinion or advice of counsel other than Hodgson Russ LLP or Golden Holley James, LLP, respectively.

Certain Collateral Federal Tax Consequences

Ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty and life insurance companies, certain foreign corporations doing business in the United States, certain S-corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit. Prospective purchasers should consult their tax advisers as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the Series 2015 Bonds. Co-Bond Counsel express no opinion regarding any such collateral federal income tax consequences.

Original Issue Discount

The excess, if any, of the amount payable at maturity of any maturity of a Series of the Series 2015 Bonds purchased as part of the initial public offering over the issue price thereof constitutes original issue discount. The amount of original issue discount that has accrued and is properly allocable to an owner of any maturity of a Series of the Series 2015 Bonds with original issue discount (the "Discount Bonds") will be excluded from gross income for purposes of federal income taxation to the same extent as interest on such Series of the Series 2015 Bonds. In general, the issue price of a maturity of the Series 2015 Bonds is the first price at which a substantial amount of Series 2015 Bonds of that Series and maturity was sold to the public (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and the amount of original issue discount accrues in accordance with a constant yield method based on the compounding of interest. A purchaser's adjusted basis in a Discount Bond is increased by the amount of such accruing discount for

purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond for purposes of federal income taxation. A portion of the original issue discount that accrues in each year to an owner of a Discount Bond that is a corporation will be included in the calculation of the corporation's federal alternative minimum tax liability. In addition, original issue discount that accrues in each year to an owner of a Discount Bond will be included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed above. Consequently, owners of any Discount Bond should be aware that the accrual of original issue discount in each year may result in an alternative minimum tax liability, additional distribution requirements or other collateral federal income tax consequences although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

The accrual of original issue discount and its effect on the redemption, sale or other disposition of a Discount Bond that is subject to redemption prior to maturity or that is not purchased in the initial offering at the first price at which a substantial amount of such substantially identical Bonds is sold to the public may be determined according to rules that differ from those described above.

Prospective purchasers of Discount Bonds should consult their tax advisors with respect to the determination for purposes of federal income taxation of the amount of original issue discount or interest properly accruable with respect to such Discount Bonds and with respect to state and local tax consequences of owning and disposing of Discount Bonds.

Bond Premium

The excess, if any, of the tax adjusted basis of a maturity of any Series 2015 Bonds purchased as part of the initial public offering by a purchaser (other than a purchaser who holds such Series 2015 Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is "bond premium." Owners of a maturity of the Series 2015 Bonds with bond premium (a "Premium Bond") will be subject to requirements under the Code relating to tax cost reduction associated with the amortization of bond premium and, under certain circumstances, the initial owner of a Premium Bond may realize taxable gain upon disposition of Premium Bonds even though sold or redeemed for an amount less than or equal to such owner's original cost of acquiring such Premium Bonds. In general, bond premium is amortized over the term of a Premium Bond for Federal income tax purposes in accordance with constant yield principles based on the owner's yield over the remaining term of such Premium Bond (or, in the case of a bond with bond premium callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). The Owner of a Premium Bond is required to decrease such Owner's adjusted basis in such Premium Bond by the amount of amortizable bond premium attributable to each taxable year such Premium Bond is held. The amortizable bond premium on such Premium Bond attributable to a taxable year is not deductible for federal income tax purposes; however, bond premium is treated as an offset to qualified stated interest received on such Premium Bond.

Prospective purchasers of any Premium Bond should consult their tax advisors with respect to the determination for purposes of federal income taxation of the treatment of bond premium upon the sale or other disposition of such Premium Bond and with respect to the state and local tax consequences of acquiring, owning and disposing of such Premium Bond.

Backup Withholding

Interest paid on the Series 2015 Bonds will be subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, such reporting requirement causes the payment of interest on the Series 2015 Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not "exempt recipients," and (b) either fail to provide certain identifying information (such as the beneficial owner's taxpayer identification number) in the required manner or have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or credit against such beneficial owner's federal income tax liability provided the required information is furnished to the IRS.

Future Developments

The opinion of each Co-Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authority and represents Co-Bond Counsel's respective judgment as to the proper treatment of the Series 2015 Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Current and future legislative proposals, if enacted into law, administrative actions or court decisions, at either the federal or state level, may cause interest on the Series 2015 Bonds, or one or more Series thereof, to be subject, directly or indirectly, to federal income taxation or to be subjected to State or local income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2015 Bonds for federal or state income tax purposes. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Series 2015 Bonds. For example, various proposals have been made in Congress and by the President (the "Proposed Legislation"), which if enacted, could limit the exclusion from gross income of interest on obligations like the Series 2015 Bonds for taxpayers who are individuals and whose income is subject to higher marginal tax rates, could subject interest on bonds that is otherwise excludable from gross income for federal income tax purposes, including interest on the Series 2015 Bonds, to a tax payable by certain bondholders that are individuals, estates or trusts with adjusted gross income in excess of thresholds specified in the Proposed Legislation, or that could otherwise significantly reduce the benefit of the exclusion from gross income of interest on obligations like the Series 2015 Bonds. It is unclear if the Proposed Legislation would be enacted, whether in its current or an amended form, or if other legislation that could subject interest on the Series 2015 Bonds to a tax or cause interest on the Series 2015 Bonds to be included in the computation of a tax, will be introduced or enacted. It is not possible to predict whether any other legislative or administrative actions or court decisions having an adverse impact on the Federal or state income tax treatment of holders of the Series 2015 Bonds may occur. Prospective purchasers of the Series 2015 Bonds should consult their own advisers regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Co-Bond Counsel express no opinion.

Each Co-Bond Counsel's engagement with respect to the Series 2015 Bonds ends with the issuance of the Series 2015 Bonds and, unless separately engaged, neither Co-Bond Counsel is obligated to defend DASNY or the Bondholders regarding the tax-exempt status of the Series 2015 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than DASNY and its appointed counsel, including the Bondholders, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which DASNY legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2015 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2015 Bonds, and may cause DASNY, a Participating BOCES or the Bondholders to incur significant expense.

PART 11 – STATE NOT LIABLE ON THE SERIES 2015 BONDS

The Act provides that notes and bonds of DASNY shall not be a debt of the State nor shall the State be liable thereon, nor shall such notes or bonds be payable out of any funds other than those of DASNY. The Master Resolution specifically provides that the Series 2015 Bonds shall not be a debt of the State nor shall the State be liable thereon.

PART 12 – COVENANT BY THE STATE

The Act states that the State pledges and agrees with the holders of DASNY's notes and bonds that the State will not limit or alter the rights vested in DASNY to fulfill the terms of any agreements made with the holders of DASNY's notes and bonds or in any way impair the rights and remedies of the holders of such notes or bonds until such notes or bonds and interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of the holders of such notes or bonds are fully met and discharged. Notwithstanding the State's pledges and agreements contained in the Act, the State may, in the exercise of its sovereign power, enact or amend its laws which, if determined to be both reasonable and necessary to serve an important public purpose, could have the effect of impairing these pledges and agreements with DASNY and with the holders of DASNY's notes or

bonds. The Act specifically provides that the State covenants with holders of the Bonds not to repeal, revoke, rescind or modify the provisions of the Act so as to limit, impair or impede the security afforded by that portion of the Act requiring the Comptroller of the State of New York to deduct from any State funds appropriated to a BOCES an amount equal to the amount payable by such BOCES to DASNY under the Agreements for the ensuing school year and further provides that no lien or charge which is prior in time or superior in right to such deduction shall be created; provided however, that nothing in the Act shall require the State to continue the payment of State aid to boards of cooperative educational services or prevent the State repealing or amending any law providing for the apportionment of such aid.

PART 13 – LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2015 Bonds by DASNY are subject to the approval of Hodgson Russ LLP and Golden Holley James, LLP, as Co-Bond Counsel to DASNY, whose approving opinions will be delivered with the Series 2015 Bonds. The proposed form of opinions to be delivered by Hodgson Russ LLP and Golden Holley James, LLP, as Co-Bond Counsel are set forth in Appendix G-1 and Appendix G-2, respectively, hereto. Certain legal matters will be passed upon for the Underwriter by its co-counsel, Trespasz & Marquardt, LLP, Syracuse, New York and Marous & Marous, P.C. New York, New York and for each Participating BOCES by its respective bond counsel as listed in Appendix B hereto.

There is no pending litigation restraining or enjoining the issuance or delivery of the Series 2015 Bonds or questioning or affecting the validity of the Series 2015 Bonds or the proceedings and authority under which they are to be issued. There is no litigation pending which in any manner questions the right of DASNY to finance any Project in accordance with the provisions of the Act, the Master Resolution and the Agreements.

PART 14 – UNDERWRITING

Roosevelt & Cross Incorporated (the “Underwriter”) has agreed, subject to certain conditions, to purchase the DCMO Bonds from DASNY at a purchase price of \$37,000,615.55, to purchase the SLL Bonds from DASNY at a purchase price of \$7,932,801.30, and to make a public offering of the Series 2015 Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement. The Underwriter will be obligated to purchase all SLL Bonds if any are purchased. The Underwriter will be obligated to purchase all DCMO Bonds if any are purchased.

The Series 2015 Bonds may be offered and sold to certain dealers (including the Underwriter) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

PART 15 – VERIFICATION OF MATHEMATICAL COMPUTATIONS

Causey Demgen and Moore P.C., upon the issuance of the Series 2015 Bonds, shall issue separate reports, each relating to a specific Series of the Series 2015 Bonds, regarding (a) the mathematical computations of the adequacy of the cash, the maturing principal amounts and the interest on the obligations, if any, deposited with the trustee under the Master Resolution to pay, when due, the principal, whether at maturity or upon prior prepayment, interest and redemption price coming due on the Refunded Bonds, as described herein in “PART 6 – THE REFUNDING PLAN,” and (b) the mathematical computations supporting the conclusion of Bond Counsel that the Series 2015 Bonds are not “arbitrage bonds” under the Code and the applicable income tax regulations.

PART 16 – CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), each Participating BOCES will enter into a written agreement (the “Continuing Disclosure Agreement”) with Digital Assurance Certification LLC (“DAC”), as disclosure dissemination agent, the Trustee, and DASNY. The proposed form of the Continuing Disclosure Agreement is attached hereto as Appendix F.

Historical Compliance

DCMO BOCES filed incomplete operating data for the fiscal years ending June 30, 2014, 2013, 2012, 2011 and 2010. Specifically, the operating data filed for such years failed to include a schedule depicting component districts' share of expenses. Such information was subsequently filed with the MSRB on April 16, 2015.

SLL BOCES filed incomplete operating data for the fiscal years ending June 30, 2012, 2011 and 2010. Specifically, the operating data filed for such year failed to include a schedule depicting component districts' share of expenses. Such information was subsequently filed with the MSRB on April 14, 2015.

Each of DCMO BOCES and SLL BOCES has certified to DASNY that it has otherwise complied in the previous five years, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

PART 17 – RATINGS

Moody's Investors Service assigned a rating of Aa2, on each Series of Series 2015 Bonds.

Standard & Poor's Ratings Services assigned a rating of A+, on each Series of Series 2015 Bonds.

Each such rating reflects only the rating agency issuing such rating and is not a recommendation by such rating agency to purchase, sell or hold the obligations rated or as to the market price or suitability of such obligations for a particular investor. Generally, a rating agency bases its rating and outlook, if any, on the information and material furnished to it and on investigations, studies and assumptions of its own. An explanation of the significance of any rating may be obtained only from the rating agency furnishing such rating. There is no assurance that such ratings will be in effect for any given period of time or that they will not be revised upward or downward or withdrawn entirely by any or all of such rating agencies if, in the judgment of any or all of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price or marketability of the Series of Series 2015 Bonds affected.

PART 18 – SOURCES OF INFORMATION AND CERTIFICATIONS

Certain information concerning the Participating BOCES included in this Official Statement has been furnished or reviewed and authorized for use by DASNY by such sources as described below. While DASNY believes that these sources are reliable, DASNY has not independently verified this information and does not guarantee the accuracy or completeness of the information furnished by the respective sources. DASNY is relying on certificates from each source, to be delivered at or prior to the time of delivery of the Series 2015 Bonds, as to the accuracy of such information provided or authorized by it.

The Participating BOCES. The information in "PART 4 – BOARDS OF COOPERATIVE EDUCATIONAL SERVICES," "PART 5 – THE REFUNDING PLANS," "PART 6 – ESTIMATED SOURCES AND USES OF FUNDS" and "APPENDIX B - LIST OF PARTICIPATING BOCES AND OUTSTANDING SERIES OF BONDS TO BE REFUNDED" and "APPENDIX C – CERTAIN FINANCIAL AND ECONOMIC INFORMATION ON EACH PARTICIPATING BOCES" was supplied by each Participating BOCES. DASNY believes that this information is reliable, but DASNY makes no representations or warranties whatsoever to the accuracy or completeness of this information.

The New York State Department of Education (the "Department"). The information contained herein relating to BOCES generally and to the Department's participation in the transactions contemplated herein has been reviewed for accuracy by the Department. DASNY believes that this information is reliable, but DASNY makes no representations or warranties whatsoever to the accuracy or completeness of this information.

DTC. The information regarding DTC and DTC's book-entry only system has been furnished by DTC. DASNY believes that this information is reliable, but makes no representations or warranties whatsoever to the accuracy or completeness of this information.

Co-Bond Counsel. "Appendix A - Definitions", "Appendix D - Summary of Certain Provisions of the Lease and Agreements" and "Appendix E - Summary of Certain Provisions of the Master Resolution" have been prepared by Hodgson Russ LLP and Golden Holley James, LLP, Co-Bond Counsel. "Appendix G-1 – Form of Approving Opinions of Hodgson Russ LLP" and "Appendix G-2 – Form of Approving Opinions of Golden Holley James, LLP" have been prepared by Hodgson Russ LLP and Golden Holley James, LLP, respectively.

DASNY. DASNY provided the balance of the information in or appended to this Official Statement, except as otherwise specifically noted herein.

DASNY will certify that, both as of the date of this Official Statement and on the date of delivery of the Series 2015 Bonds, the information contained in this Official Statement is and will be fairly presented in all material respects, and that this Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (it being understood that DASNY has relied upon and has not undertaken independently to verify the information contained in this Official Statement relating to Participating BOCES, but which information DASNY has no reason to believe is untrue or incomplete in any material respect).

The references herein to the Act, other laws of the State, the Resolutions, the Agreements and the Agreements of Lease are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference should be made to each for a full and complete statement of its provisions. The agreements of DASNY with the registered owners of the Series 2015 Bonds are fully set forth in the Resolutions, and neither any advertisement of the Series 2015 Bonds nor this Official Statement is to be construed as a contract with the purchasers of the Series 2015 Bonds. So far as any statements are made in this Official Statement involving matters of opinion or an estimate, whether or not expressly so stated, they are intended merely as such and not as representations of fact. Copies of the documents mentioned in this paragraph are on file at the offices of DASNY and the Trustee.

The execution and delivery of this Official Statement by an Authorized Officer have been duly authorized by DASNY.

**DORMITORY AUTHORITY OF
THE STATE OF NEW YORK**

By: /s/ Michael T. Corrigan
Authorized Officer

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DEFINITIONS

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DEFINITIONS

The following are definitions of certain of the terms defined herein, or in the Master Resolution or the Agreements and used in this Official Statement.

Accreted Value means with respect to any Capital Appreciation Bond (i) as of any Valuation Date, the amount set forth for such date in the Series Resolution authorizing such Capital Appreciation Bond or the Bond Series Certificate relating to such Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Accreted Values for such Valuation Dates.

Act means the Dormitory Authority Act, being and constituting Title 4 of Article 8 of the Public Authorities Law of the State, as amended.

Administrative Expenses means expenses incurred by the Authority in carrying out its duties under the Agreements and under the Resolution, any BOCES Leases, and any other document, instrument, agreement, law, rule or regulation related to any Leased Property including, without limitation, accounting, administrative, financial advisory and legal expenses incurred in connection with the financing and construction of the Project, the fees and expenses of the Trustee, any Paying Agents or any other fiduciaries acting under the Resolution, the fees and expenses of any Facility Provider, the costs and expenses incurred in connection with the determination of the rate at which a Variable Interest Rate Bond is to bear interest and the remarketing of such Bond, the cost of providing insurance with respect to the Leased Property and the Project, judgments or claims payable by the Authority for the payment of which the Authority has been indemnified or held harmless pursuant to the Agreements, but only to the extent that moneys in the Construction Fund are not available therefor, and expenditures to compel full and punctual performance of any BOCES Leases, the Agreements, or any document, instrument or agreement related thereto in accordance with its terms.

Agreement means the Amended and Restated Lease and Agreement, dated as of March 11, 2015, between the Authority and each applicable BOCES, amending and restating the applicable Lease and Agreement, between the Authority and such BOCES, as the same may from time to time amended or supplemented in accordance with its terms and provisions and the terms and provisions of the Resolution.

Agreement of Lease means the BOCES Lease.

Annual Administrative Fee means when used with respect to any Bond Year, a share of the general overhead and administrative expenditures of the Authority reasonably allocated to the Project for such Bond Year by the Authority in accordance with a formula approved by the Comptroller of the State of New York.

Applicable means (i) with respect to any Construction Fund, Arbitrage Rebate Fund, Building and Equipment Reserve Fund, Debt Service Fund, Debt Service Reserve Fund, the fund so designated and established by an Applicable Series Resolution authorizing an Applicable Series of Bonds relating to a particular Project, (ii) with respect to any Debt Service Reserve Fund Requirement, the said Requirement established in connection with a Series of Bonds by the Master Resolution or the Applicable Series Resolution, (iii) with respect to any Series Resolution, the Series Resolution relating to a particular Series of Bonds, (iv) with respect to any Series of Bonds, the Series of Bonds issued under a Series Resolution for a particular Project for a particular BOCES, (v) with respect to any Agreement or Lease Agreement, the Applicable Agreement or Applicable Lease Agreement, as the case may be, entered into by and between a BOCES and the Authority, relating to all Projects for a particular BOCES, (vi) with respect to a Credit Facility or Liquidity Facility, the Credit Facility or Liquidity Facility identified in the Applicable Series Resolution, (viii) with respect to a Bond Series Certificate, such certificate authorized pursuant to an Applicable Series Resolution, (ix) with respect to a Reserve Fund Facility and a Facility Provider, a Reserve Fund Facility which constitutes all or any part of the Debt Service Reserve Fund Requirement in connection with an

Applicable Series of Bonds or the Facility Provider thereof, and (x) with respect to Revenues and Pledged Revenues, the amounts payable to the Authority on account of a Series of Bonds.

Appreciated Value means with respect to any Deferred Income Bond (i) as of any Valuation Date, the amount set forth for such date in the Applicable Series Resolution authorizing such Deferred Income Bond or in the Bond Series Certificate relating to such Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Appreciated Value accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

Arbitrage Rebate Fund means each such fund so designated, created and established by the Applicable Series Resolution.

Authority Fee means the fee payable to the Authority in the amount of \$75,000 as compensation for all of the Authority's internal costs and overhead expenses attributable to an issuance of the Bonds, excluding Administrative Expenses and the Annual Administrative Fee.

Authorized Officer means (i) in the case of the Authority, the Chairman, the Vice-Chairman, the Treasurer, an Assistant Treasurer, the Secretary, an Assistant Secretary, the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the General Counsel, the Chief Information Officer, and a Managing Director, and when used with reference to any act or document also means any other person authorized by a resolution or the by-laws of the Authority to perform such act or execute such document; (ii) in the case of a BOCES, when used with reference to any act or document, means the person identified in the Master Resolution or in the Applicable Agreement or Applicable Lease Agreement, as authorized to perform such act or execute such document, and in all other cases means the Superintendent or an officer or employee of a BOCES authorized in a written instrument signed by the Superintendent; and (iii) in the case of the Trustee, the President, a Vice President, a Corporate Trust Officer, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee.

Basic Rent means that portion of the Rentals payable pursuant to the Applicable Agreement.

BOCES means the applicable Board of Cooperative Educational Services, each being a corporation organized and existing under Section 1950(6) of the State Education Law duly organized and validly existing under the Constitution and the laws of the State of New York.

BOCES Lease or Lease means the Amended and Restated Agreement of Lease, dated as of March 11, 2015, between each applicable BOCES, as lessor, and the Authority, as lessee, amending and restating the applicable Agreement of Lease, between such BOCES, as lessor, and the Authority, as lessee, as the same may be from time to time amended, modified and supplemented.

Bond or Bonds means any of the bonds of the Authority, including the Series 2015 Bonds, authorized and issued pursuant to the Master Resolution and to an Applicable Series Resolution.

Bond Counsel means an attorney or a law firm, appointed by the Authority with respect to a particular Series of Bonds, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

Bond Series Certificate means the certificate of an Authorized Officer of the Authority, including the Series 2015 Bond Series Certificate, fixing terms, conditions and other details of Bonds of an Applicable Series in accordance with the delegation of power to do so under the Master Resolution or under the Applicable Series Resolution authorizing the issuance of such Bonds.

Bond Year means unless otherwise stated in the Applicable Series Resolution, a period of twelve (12) consecutive months beginning August 15 in any calendar year and ending on August 14 of the succeeding calendar year.

Bondholder, Holder of Bonds or Holder or any similar term, when used with reference to a Bond or Bonds, means the registered owner of any Bond.

Building and Equipment Reserve Fund means each such fund so designated and established by the Master Resolution.

Business Day means any day which is not a Saturday, Sunday or a day on which banking institutions chartered by the State or the United States of America are legally authorized to close in The City of New York; provided, however, that, with respect to Option Bonds or Variable Interest Rate Bonds of a Series, such term means any day which is not a Saturday, Sunday or a day on which the New York Stock Exchange, banking institutions chartered by the State or the United States of America, the Trustee or the issuer of a Credit Facility or Liquidity Facility for such Bonds are legally authorized to close in The City of New York.

Capital Appreciation Bond means any Bond as to which interest is compounded on each Valuation Date therefor and is payable only at the maturity or prior redemption thereof.

Code means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

Construction Fund means each such fund so designated, created and established by the Applicable Series Resolution pursuant to the Master Resolution.

Cost or Costs of Issuance means the items of expense incurred in connection with the authorization, sale and issuance of an Applicable Series of Bonds, which items of expense will include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee or a Depository, legal fees and charges, professional consultants' fees, fees and charges for execution, transportation and safekeeping of such Bonds, premiums, fees and charges for insurance on Bonds, commitment fees or similar charges of a Remarketing Agent or relating to a Credit Facility or a Liquidity Facility, costs and expenses of refunding such Bonds and other costs, charges and fees, including those of the Authority, in connection with the foregoing.

Cost or Costs of the Project means with respect to an Applicable Project costs and expenses or the refinancing of costs and expenses determined by the Authority to be necessary in connection with the Project, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of such Project, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of such Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising such Project, (v) costs and expenses required for the acquisition and installation of furnishings, equipment, machinery and apparatus, (vi) all other costs which the Applicable BOCES or the Authority will be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of such Project, (vii) any sums required to reimburse BOCES or the Authority for advances made by them for any of the above items or for other costs incurred and for work done by them in connection with such Project (including interest on borrowed money), (viii) interest on the Bonds prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of such Project, and (ix) fees, expenses and liabilities of the Authority incurred in connection with such Project or pursuant hereto or to the Applicable Agreement or Applicable Lease Agreement, a Credit Facility, a Liquidity Facility or a Remarketing Agreement.

Credit Facility means an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement, municipal bond insurance policy or other agreement, facility or insurance or guaranty arrangement

issued or extended by a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Authority, pursuant to which the Authority is entitled to obtain moneys to pay the principal, purchase price or Redemption Price of Bonds due in accordance with their terms, plus accrued interest thereon to the date of payment, purchase or redemption thereof, in accordance with the Master Resolution and with the Series Resolution authorizing such Bonds or a Bond Series Certificate, whether or not the Authority is in default under the Master Resolution.

Debt Service Fund means the fund so designated, created and established by the Applicable Series Resolution.

Debt Service Reserve Fund means the fund so designated, created and established by the Applicable Series Resolution.

Debt Service Reserve Fund Requirement means, as of any particular date of computation, with respect to Bonds of a Series, one-half of the amount equal to the greatest amount required in the then current or any future calendar year to pay the sum of the principal and Sinking Fund Installments of and interest on such Series of Outstanding Bonds payable during such year, excluding interest accrued thereon prior to August 15 of the next preceding year, except that if, upon the issuance of a Series of Bonds, such amount would require moneys, in an amount in excess of the maximum amount permitted under the Code to be deposited therein from the proceeds of such Bonds, to be deposited therein, the Debt Service Reserve Fund Requirement will mean an amount equal to the maximum amount permitted under the Code to be deposited therein from the proceeds of such Bonds, as certified by an Authorized Officer of the Authority; provided, however, that for purposes of this definition (a) the principal and interest portions of the Accreted Value of a Capital Appreciation Bond and the Appreciated Value of a Deferred Income Bond becoming due at maturity or by virtue of a Sinking Fund Installment will be included in the calculations of interest and principal payable on August 15 of the year in which such Capital Appreciation Bond or Deferred Income Bond matures or in which such Sinking Fund Installment is due, (b) an Option Bond Outstanding during any Bond Year will be assumed to mature on the stated maturity date thereof, and (c) it will be assumed that a Variable Interest Rate Bond, prior to its conversion to bear interest at a fixed rate to its maturity, bears interest during any year at the higher of (1) a fixed rate of interest equal to that rate, as estimated by an Authorized Officer of the Authority, after consultation with the remarketing agent, if any, for such Variable Interest Rate Bond if it is also an Option Bond or, if it is not, with an investment banking firm which is regularly engaged in the underwriting of or dealing in bonds of substantially similar character, on a day not more than twenty (20) days prior to the date of initial issuance of such Variable Interest Rate Bond, which such Variable Interest Rate Bond would have had to bear to be marketed at par on such date as a fixed rate obligation maturing on the maturity date of such Variable Interest Rate Bond, and (2) a rate, not less than the initial rate of interest on such Variable Interest Rate Bond, set forth in or determined pursuant to a formula set forth in the Applicable Series Resolution authorizing such Variable Interest Rate Bond or in the Applicable Bond Series Certificate relating to such Bond, and (d) if a Variable Interest Rate Bond will be converted to a fixed rate Bond for the remainder of the term thereof and as a result of such conversion a deficiency will be created in the Debt Service Reserve Fund, the Debt Service Reserve Fund Requirement will be calculated so as to exclude the amount of such deficiency and the Debt Service Reserve Fund Requirement will be increased in each of the five (5) years after the date of such conversion by an amount which will be equal to twenty per centum (20%) of the aforesaid deficiency.

Defeasance Security means (a) a direct obligation of the United States of America, an obligation the principal of and interest on which are guaranteed by the United States of America (other than an obligation the payment of the principal of which is not fixed as to amount or time of payment), an obligation to which the full faith and credit of the United States of America are pledged (other than an obligation the payment of the principal of

which is not fixed as to amount or time of payment) and a certificate or other instrument which evidences the ownership of, or the right to receive all or a portion of the payment of the principal of or interest on, direct obligations of the United States of America, which, in each case, is not subject to redemption prior to maturity other than at the option of the holder thereof or which has been irrevocably called for redemption on a stated future date or (b) an Exempt Obligation (i) which is not subject to redemption prior to maturity other than at the option of the holder thereof or as to which irrevocable instructions have been given to the trustee of such Exempt Obligation by the obligor thereof to give due notice of redemption and to call such Exempt Obligation for redemption on the date or dates specified in such instructions and such Exempt Obligation is not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (ii) which is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or direct obligations of the United States of America which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in clause (i) above, (iii) as to which the principal of and interest on the direct obligations of the United States of America which have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay the principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, and (iv) which are rated by a Rating Agency in the highest rating category of each such rating service for such Exempt Obligation; provided, however, that such term will not mean any interest in a unit investment trust or mutual fund.

Deferred Income Bond means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Deferred Income Bond, and as to which interest accruing after the Interest Commencement Date is payable semi-annually on February 15 and August 15 of each Bond Year.

Depository means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other person, firm, association or corporation designated in the Series Resolution authorizing a Series of Bonds or a Bond Series Certificate relating to a Series of Bonds to serve as securities depository for the Bonds of such Series.

Exempt Obligation means (i) an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision, the interest on which is excludable from gross income under Section 103 of the Code, which is not a “specified private activity bond” within the meaning of Section 57(a)(5) of the Code, and which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Master Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, in not less than the second highest rating category of each Rating Agency rating such obligation, or, if such obligation is not rated by a Rating Agency, has been assigned a comparable rating by another nationally recognized rating service or (ii) United States Treasury Demand Deposit Certificates of Indebtedness - State and Local Government Series, to the extent treated as a tax exempt obligation for purposes of Section 148 of the Code.

Facility Provider means the issuer of a Credit Facility, a Liquidity Facility or a Reserve Fund Facility delivered to the Applicable Trustee pursuant to the Master Resolution.

Fitch means Fitch, Inc., a corporation organized and created under the laws of the State of Delaware and its successors and assigns.

Government Obligation means a direct obligation of the United States of America, an obligation the principal of and interest on which are guaranteed by the United States of America, an obligation (other than an obligation the payment of the principal of which is not fixed as to amount or time of payment) to which the full faith and credit of the United States of America are pledged, an obligation of any federal agency approved by the Authority, a certificate or other instrument which evidences the ownership of, or the right to receive all or a portion of the payment of the principal of or interest on, direct obligations of the United States of America or a share or interest in a mutual fund, partnership or other fund wholly comprised of such obligations.

Interest Commencement Date means, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the Applicable Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond, after which interest accruing on such Bond will be payable on the interest payment date immediately succeeding such Interest Commencement Date and semi-annually thereafter on February 15 and August 15 of each Bond Year.

Investment Agreement means an agreement for the investment of moneys with a Qualified Financial Institution.

Leased Property means the real property described in Exhibit A to the Applicable Agreement, the buildings and improvements situated thereon or from time to time erected thereon and the Personal Property now or hereafter situated on or used in connection therewith (but only to the extent such Personal Property is financed or refinanced with the proceeds of Bonds) constituting “board of cooperative educational services school facilities” as defined in the Act.

Liquidity Facility means an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement, line of credit or other agreement or arrangement issued or extended by a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a savings bank, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Authority, pursuant to which moneys are to be obtained upon the terms and conditions contained therein for the purchase or redemption of Option Bonds tendered for purchase or redemption in accordance with the terms hereof and of the Applicable Series Resolution authorizing such Bonds or the Applicable Bond Series Certificate relating to such Bonds.

Master Resolution means the Authority’s Master BOCES Program Lease Revenue Bond Resolution, adopted on August 15, 2001, as amended and supplemented.

Maximum Interest Rate means, with respect to any particular Variable Interest Rate Bond, the numerical rate of interest, if any, set forth in the Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond, that will be the maximum rate at which such Bond may bear interest at any time.

Memorandum of Understanding means the Memorandum of Understanding, among the Authority, the New York State Department of Education and the Office of State Comptroller with respect to each Series of Series 2015 Bonds.

Minimum Interest Rate means, with respect to any particular Variable Interest Rate Bond, a numerical rate of interest, if any, set forth in the Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond, that will be the minimum rate at which such Bonds may bear interest at any time.

Moody’s means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, or its successors and assigns.

Option Bond means any Bond which by its terms may be tendered by and at the option of the Holder thereof for redemption by the Authority prior to the stated maturity thereof or for purchase thereof, or the maturity of which may be extended by and at the option of the Holder thereof in accordance with the Series Resolution authorizing such Bonds or the Bond Series Certificate related to such Bonds.

Outstanding, when used in reference to Bonds, means, as of a particular date, all Bonds authenticated and delivered under the Master Resolution and under any Applicable Series Resolution except: (i) any Bond canceled by the Applicable Trustee at or before such date; (ii) any Bond deemed to have been paid in accordance with the Master Resolution; (iii) any Bond in lieu of or in substitution for which another Bond will have been authenticated and delivered pursuant to the Master Resolution; and (iv) Option Bonds tendered or deemed tendered in accordance with

the provisions of the Series Resolution authorizing such Bonds or the Bond Series Certificate related to such Bonds on the applicable adjustment or conversion date, if interest thereon will have been paid through such applicable date and the purchase price thereof will have been paid or amounts are available for such payment as provided in the Agreement and in the Series Resolution authorizing such Bonds.

Paying Agent means, with respect to the Bonds of any Series, the Trustee and any other bank or trust company and its successor or successors, appointed pursuant to the provisions of the Master Resolution or of a Series Resolution, a Bond Series Certificate or any other resolution of the Authority adopted prior to authentication and delivery of the Series of Bonds for which such Paying Agent or Paying Agents will be so appointed.

Permitted Encumbrances means and includes:

1. the lien of taxes and assessments and water and sewer rents and charges which are not yet due and payable;
2. rights reserved to or vested in any municipality or governmental or other public authority to control or regulate or use in any manner any portion of the Leased Property which do not materially impair the use of the Leased Property for the purposes for which it is or may reasonably be expected to be held;
3. minor defects and irregularities in the title to the Leased Property which do not in the aggregate materially impair the use of the Leased Property for the purposes for which it is or may reasonably be expected to be held;
4. easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of such property for the purposes for which it is or may reasonably be expected to be held;
5. present or future valid zoning laws and ordinances;
6. any purchase money security interests in any Personal Property, other than with respect to Personal Property financed with the proceeds of the Bonds and any replacements thereof;
7. all other matters of record and state of title at the commencement date of the Applicable Agreement, rights of parties in possession and any state of facts which an accurate survey or physical inspection would show;
8. BOCES Leases;
9. those matters referred to in any title insurance policy with respect to the Leased Property and accepted by the Authority; and
10. such other encumbrances or items to which BOCES will have consented in writing signed by an Authorized Officer.

Personal Property means all articles of tangible personal property of every kind and description presently located or hereafter placed on or used in connection with the management or operation of the Leased Property other than those which, by the nature of their attachment to the Leased Property become real property pursuant to applicable law, including all escalators and elevators; all heating, ventilating, and air-conditioning equipment; all appliances, apparatus, machinery, motors and electrical equipment; all interior and exterior lighting equipment; all telephone, intercom, audio, music and other sound reproduction and communication equipment; all floor coverings, carpeting, wall coverings, drapes, furniture, trash containers, carts, decorative plants, planters, sculptures, fountains, artwork and other mall, common area, auditorium and office furnishings; all plumbing fixtures, facilities and equipment; all cleaning, janitorial, lawn, landscaping, disposal, firefighting, sprinkler and maintenance equipment and supplies; all books, records, files, financial and accounting records relating to the ownership, operation or management of the Project; all drawings, plans and specifications relating to the improvements; and all other personal property whether similar or dissimilar to the foregoing which is now or in the future used in the ownership,

operation or management of the Project, including all additions thereto, proceeds received upon voluntary or involuntary disposition thereof, and all renewals or replacements thereof or articles in substitution therefor.

Plans and Specifications means the final design for the Project, including a complete set of architectural, structural, HVAC, plumbing, electrical, landscape and furniture and equipment drawings, specifications and a shop drawings list which comply with all applicable laws, as well as all required regulatory approvals and utility acceptances, together with any amendments thereto including increasing, decreasing or otherwise modifying the scope of the Project provided that such amendments are approved in writing by the State Education Department and filed with the Authority.

Pledged Revenues means the State funds that are pledged and assigned by a BOCES to the Authority pursuant to an Applicable Agreement to secure BOCES obligations under such Agreement and that are required by the Act and the Education Law to be paid directly to the Authority or the Applicable Trustee.

Prior Pledges means the liens, pledges, charges, encumbrances and security interests made and given by a BOCES to secure prior obligations incurred by said BOCES, the maintenance of which has been approved by the Authority.

Project (as defined in the Master Resolution) means the acquisition, design, construction, reconstruction, rehabilitation, improvement and equipping of “board of cooperative educational services school facilities” as defined in the Act.

Qualified Financial Institution means (i) a securities dealer, the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, (ii) a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, (iii) a corporation affiliated with or which is a subsidiary of any entity described in (i) or (ii) above or which is affiliated with or a subsidiary of a corporation which controls or wholly owns any such entity or (iv) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Authority; provided, however, that in the case of any entity described in (ii) or (iii) above, the unsecured or uncollateralized long-term debt obligations of which, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by any such organization, at the time an Investment Agreement is entered into by the Authority are rated, without regard to qualification of such rating by symbols such as “+” or “-” or numerical notation, “A” or better by at least two Rating Agencies, or, if such obligations are not rated by at least two Rating Agencies, have been assigned a comparable rating by at least one Rating Agency, but in no event will such obligations be rated lower than the lowest rating assigned by a Rating Agency to any Outstanding Bonds.

Rating Agency means on any date each of Fitch, Moody’s or S&P that then has, at the request of the Authority, assigned a rating to the Applicable Series of Bonds, and any nationally recognized rating service that has been designated as a rating service by the Authority for purposes of the Master Resolution.

Redemption Price, when used with respect to a Bond, means the principal amount of such Bond plus the applicable premium, if any, payable upon redemption prior to maturity thereof pursuant to the Master Resolution or to the Applicable Series Resolution or Bond Series Certificate.

Remarketing Agent means the person appointed by or pursuant to a Series Resolution authorizing the issuance of Option Bonds to remarket such Option Bonds tendered or deemed to have been tendered for purchase in accordance with such Series Resolution or the Bond Series Certificate relating to such Option Bonds.

Rentals means the rent payable under an Agreement.

Reserve Fund Facility means a surety bond, insurance policy or letter of credit which constitutes any part of the Debt Service Reserve Fund Requirement authorized to be delivered to the Trustee pursuant to the Master Resolution.

Resolution means the Master Resolution, as supplemented by each Series 2015 Resolution.

Revenues means (i) the Basic Rent paid by a BOCES pursuant to an Agreement, (ii) the Applicable Pledged Revenues and (iii) the right to receive the same and the proceeds thereof and of such right.

S&P means Standard & Poor's Ratings Services, a division of The McGraw-Hill Corporation, or its successors and assigns.

Series means all of the Bonds authenticated and delivered on original issuance and pursuant to the Master Resolution and to the Applicable Series Resolution authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Master Resolution, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

Series Resolution means a resolution of the Authority, including each Series 2015 Resolution, authorizing the issuance of a Series of Bonds adopted by the Authority pursuant to the Master Resolution.

"Series 2015 Bonds" means each series of the Authority's Master BOCES Program Lease Refunding Revenue Bonds, Series 2015, for a particular BOCES.

Series 2015 Bond Series Certificate means a Certificate of an authorized officer of the Authority, fixing terms, conditions and other details of a Series of Series 2015 Bonds, for a particular BOCES.

Series 2015 Resolution means each applicable Series 2015 Resolution authorizing a particular series of Master BOCES Program Lease Refunding Revenue Bonds, Series 2015, adopted by the Authority on March 11, 2015, and as from time to time further amended, restated or supplemented, for a particular BOCES.

Sinking Fund Installment means, as of any date of calculation, when used with respect to any Bonds of a Series, other than Option Bonds or Variable Interest Rate Bonds, so long as any such Bonds are Outstanding, the amount of money required hereby or by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto, to be paid on a single future August 15 for the retirement of any Outstanding Bonds of said Series which mature after said future August 15, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future August 15 is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be Bonds entitled to such Sinking Fund Installment, and when used with respect to Option Bonds or Variable Interest Rate Bonds of a Series, so long as such Bonds are Outstanding, the amount of money required by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto, to be paid on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Option Bonds or Variable Rate Interest Bonds of such Series are deemed to be Bonds entitled to such Sinking Fund Installment.

State means the State of New York.

Supplemental Resolution means any resolution of the Authority amending or supplementing the Master Resolution, any Applicable Series Resolution or any Supplemental Resolution adopted and becoming effective in accordance with the terms and provisions of the Master Resolution.

Term Bonds means the Bonds so designated in an Applicable Series Resolution or an Applicable Bond Series Certificate and payable from Sinking Fund Installments.

Trustee means the bank or trust company appointed as Trustee for the Bonds pursuant to the Applicable Series Resolution or Applicable Bond Series Certificate and having the duties, responsibilities and rights provided

for in the Master Resolution with respect to such Series, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant to the Master Resolution.

Valuation Date means (i) with respect to any Capital Appreciation Bond, the date or dates set forth in the Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond on which specific Accreted Values are assigned to such Capital Appreciation Bond, and (ii) with respect to any Deferred Income Bond, the date or dates prior to the Interest Commencement Date and the Interest Commencement Date set forth in the Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond on which specific Appreciated Values are assigned to such Deferred Income Bond.

Variable Interest Rate means the rate or rates of interest to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds which is or may be varied from time to time in accordance with the method of computing such interest rate or rates specified in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds, which will be based on (i) a percentage or percentages or other function of an objectively determinable interest rate or rates (e.g., a prime lending rate) which may be in effect from time to time or at a particular time or times or (ii) a stated interest rate that may be changed from time to time as provided in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bond; provided, however, that such variable interest rate may be subject to a Maximum Interest Rate and a Minimum Interest Rate and that there may be an initial rate specified, in each case as provided in such Series Resolution or a Bond Series Certificate; provided, further, that such Series Resolution or Bond Series Certificate will also specify either (x) the particular period or periods of time or manner of determining such period or periods of time for which each variable interest rate will remain in effect or (y) the time or times at which any change in such variable interest rate will become effective or the manner of determining such time or times.

Variable Interest Rate Bond means any Bond which bears a Variable Interest Rate; provided, however, that a Bond the interest rate on which has been fixed for the remainder of the term thereof will no longer be a Variable Interest Rate Bond.

**LIST OF PARTICIPATING BOCES AND OUTSTANDING SERIES OF BONDS TO
BE REFUNDED**

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**LIST OF PARTICIPATING BOCES AND OUTSTANDING
SERIES OF BONDS TO BE REFUNDED**

Listed below are the Participating BOCES receiving financing from the proceeds of the Series 2015 Bonds, the financial advisors to the Participating BOCES, the bond counsel to the Participating BOCES, the par amount of each Series, and the Outstanding Series of Bonds to be refunded with the proceeds of the Series 2015 Bonds.

<u>Participating BOCES</u>	<u>Financial Advisor</u>	<u>Bond Counsel</u>	<u>Principal Amount</u>	<u>Outstanding Series of Bonds to be Refunded</u>
DCMO:				
Delaware, Chenango, Madison and Otsego BOCES	Fiscal Advisors & Marketing, Inc.	Orrick, Herrington & Sutcliffe LLP	\$32,625,000	Master BOCES Program Lease Revenue Bonds (Delaware, Chenango, Madison and Otsego Issue), Series 2007, issued in the original aggregate principal amount of \$47,755,000 and having a current outstanding principal balance of \$35,980,000
SLL:				
St. Lawrence-Lewis BOCES	Fiscal Advisors & Marketing, Inc.	Orrick, Herrington & Sutcliffe LLP	\$7,860,000	Master BOCES Program Lease Revenue Bonds (The Sole Supervisory District of St. Lawrence-Lewis Issue), Series 2007, issued in the original aggregate principal amount of \$10,500,000 and having a current outstanding principal balance of \$7,620,000

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**CERTAIN FINANCIAL AND ECONOMIC INFORMATION ON EACH
PARTICIPATING BOCES**

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APPENDIX C-1

DESCRIPTION OF DELAWARE, CHENANGO, MADISON AND OTSEGO BOCES

DESCRIPTION OF DELAWARE, CHENANGO, MADISON AND OTSEGO COUNTIES BOCES

There follows in this Appendix C-1 a brief description of Delaware, Chenango, Madison and Otsego Counties BOCES (the "DCMO BOCES"), together with certain information concerning its history, operations, governance, facilities, financial information and future financing plans.

History

Delaware, Chenango, Madison and Otsego Counties BOCES was established on February 2, 1959 and provides shared services to 16 school districts in Delaware, Chenango, Madison and Otsego Counties, New York that together have approximately 13,700 students.

Operations

Delaware, Chenango, Madison and Otsego Counties BOCES programs and services for school districts are divided into six divisions providing the following services and programs:

Career and Technical Education / General Education

- Career and Technical Education / General Education programs in 19 skill areas for high school students and adults;
- Innovative New Vision programs in Allied Health and Law and Government, providing exposure to occupations in these areas;
- Collaborative programs developed with component districts:
 - Project Lead the Way, Sidney Central School District
 - Business Program, Unatego Central School District
- Integrated academics in Career and Technical Education classes that support the standards and graduation requirements; and
- An alternative education program called Career Academy for middle school and high school students.

Adult and Continuing Education

- Career planning, training, financial aid information and support services for adults seeking career training and assistance; and
- Workshops for local businesses and industries seeking training and retraining of staff.

Special Education

- Assistance to districts in meeting the needs of students with disabilities through specialized staff (interpreters, teachers of the visually impaired, physical, occupational and speech therapists);
- Support for the inclusion of students with special needs through expertise in assistive technology, behavioral and instructional modifications and consultation; and
- Self-contained classes for students with disabilities in a variety of settings and Mental Health Services Coordination.

Itinerants

- Itinerant Programs for occupational, physical and speech therapists; school psychologists, school counselors and social workers; physical education, computer technicians, curriculum coordinators and other teaching staff.

Instructional Support Services

- Staff development and training programs focused on improving student performance;
- Learning Technologies providing staff development and hardware and software support;

Instructional Support Services (continued)

- School Library System with regional database of library holdings, Interlibrary Loan Service and library automation;
- Technical Repair Service of audio/visual, TV and computer equipment;
- Special Education Training and Resource Center for parents, educators, community service agencies and Board of Education members;
- Regional Summer and Enrichment Programs for remediation and enrichment; and
- Enrichment activities for students.

Management Services

- Coordination of bus communication across the region through bus radio towers;
- Support for management of school district records and fixed assets inventory;
- Employee Assistance Program for district employees with personal or financial problems;
- Cooperative Business Office support for payroll, accounts payable, ledgers, internal auditing, and State Aid;
- Cooperative Investments of school district funds;
- Cooperative bidding for food, equipment, supplies, fuel, etc.;
- Assistance with negotiations and contract administration matters;
- Health Care Coordination for most school district's health benefits;
- Printing/copying service for newsletters, calendars, brochures, report cards, forms, classroom materials, etc.
- Coordination of alcohol and controlled substance testing for school bus drivers, radon testing lead and water analysis, pesticide handling, Right-To-Know training, hazardous waste, SAVE regulations, and related areas;
- Substitute calling service for districts;
- School Food Management providing cafeteria administration for school district cafeterias;
- Special Program Finances service providing assistance in tracking Stated Aid for districts;
- Grant writing service to assist schools seeking grant awards; and
- Public Information Service for communications and public relations.

Governance

The DCMO BOCES carries out its programs through a seven-member board and a staff of approximately 217 salaried staff members, supplemented by approximately 179 hourly and/or daily employees. The DCMO BOCES Board is made up of 7 members representing the component districts within the DCMO BOCES area, and generally, with certain exceptions, no more than one member may reside within the boundaries of a particular school district. The DCMO BOCES Board members are elected by the boards of education of the 16 component school districts, and each serves for a period of three years, unless appointed or elected in a special election to serve out the term of office of a DCMO BOCES Board member who has resigned. They serve without compensation, but are reimbursed for some expenses incurred in carrying out their responsibilities.

All authority rests with the DCMO BOCES Board as a whole, and not with any individual member or any group of members in any committee. The DCMO BOCES Board has responsibility for the governance of the DCMO BOCES and for all final policy decisions.

The current members of the DCMO Board are as follows:

Linda Zaczek, President – Ms. Zaczek was first elected to the DCMO BOCES Board in 1999, holding the office of Vice President from 2003 to 2014. In 2007, Ms. Zaczek was honored as the Outstanding School Board Member of the Year by the Chenango County School Boards Association. Ms. Zaczek served on the final school board of the Mt. Upton Central School, and six years on the board of the newly merged district of the Gilbertsville-Mt. Upton Central School, for the combined period from 1989-1997. Ms. Zaczek is a certified Human Resources Professional; and operates a retail energy business.

Robert Rogers, Vice President – Robert Rogers was first elected to the DCMO BOCES Board in 2001. A lifelong resident of Oxford, Mr. Rogers graduated from Oxford Academy and is a retired Design Engineer

of the Raymond Corporation in Greene, having spent 37 years in the Engineering Division. Mr. Rogers served on the Oxford Board for 15 years from 1972-1987, with two years of service as Vice President, and 11 years as President. Mr. Rogers also served on the Chenango County School Boards Association as Vice President, and was nominated as Outstanding School Board Member of the Year in 1982. In 1983, Mr. Rogers served on the School Board Resolution Committee through the New York State School Boards Association.

Richard Dillon, Board Member – Richard Dillon was first elected to the DCMO BOCES Board in 2002. Mr. Dillon is a retired superintendent from Hancock Central School where he served as its leader from 1990-1998. Since his retirement, Mr. Dillon has remained active in the educational arena, serving in interim capacities at area schools before his election to the DCMO BOCES Board.

Judith Breese, Board Member – Ms. Breese was first elected to the DCMO BOCES Board in 2009. She has been a resident of Walton since 1977 and has been on the Walton Central School Board of Education since 1997, serving as its President since 2002. Ms. Breese is a speech-language pathologist and works for the Delaware County Public Health's Early Intervention and Preschool Special Education Programs. She has also worked at Broome and Monroe Developmental Services and in private practice serving children and adults. From 1991-1996, Ms. Breese worked for DCMO BOCES, serving students with a variety of disabilities in the Oxford and Guilford areas as well as at the Harrold Campus.

Leslie Mokay, Board Member – Leslie Mokay was first elected to the DCMO BOCES board in 2012. Ms. Mokay was then unanimously elected to her first full three year term on the DCMO BOCES Board of Education, commencing July 1, 2012. A lifetime resident of Delhi, Ms. Mokay served on the Delaware Academy and Central School District at Delhi Board of Education from 2007-2013. She retired from SUNY Delhi where she served in many capacities: Director of Individual Studies – a program whereby students tailor-make their curriculum for transfer or career; Director of the Academic Success Center, which housed Services for Students with Disabilities, Tutorial Instruction Services, Career Services, English as a Second Language Services, and Accommodated and Placement Testing Services; Director of Advisement and Retention; and Associate Registrar. In 2000, Ms. Mokay was one of nineteen selected nationally to receive the National Association of Academic Advising Outstanding Advisor Award, and in 2001, she was awarded the State University of New York Chancellor's Award for Excellence in Professional Service.

Joseph Stagliano, Board Member - Joseph Stagliano was elected to the DCMO BOCES Board in 2013. Mr. Stagliano is currently on the Board of Education for Norwich City Schools, a position he has held since 2008 and in 2013 was elected as Board President. He is the Executive Vice President and Chief Information Officer at NBT Bank, Norwich.

Linda DeAndrea, Board Member – Linda DeAndrea was first elected to the DCMO BOCES Board in 2014. Ms. DeAndrea has served on the Franklin Central School Board since 2000, and has held the office of President for the past 11 years. She has presented at Legislative Breakfasts and at the regional public hearing for the New York Education Reform Commission, and met with legislators to advocate for the needs of rural schools. Ms. DeAndrea graduated from SUNY at Albany, worked as a Community Mental Health Nurse for Broome Developmental Services, and has volunteered with 4-H and served on several community boards including Franklin Recreation, Franklin Free Library, and the Franklin Community Education Foundation.

The principal administrative staff members of the DCMO BOCES are as follows:

District Superintendent – Currently vacant. The District Superintendent retired from his position effective April 3, 2015. It is expected that the Commissioner of Education will announce the appointment of an interim District Superintendent in the near future. DCMO BOCES is currently undertaking steps to recruit candidates to fill the pending vacancy.

Doreen Rowe, Assistant Superintendent for Management Services – Doreen Rowe has been the Assistant Superintendent for Management Services at the DCMO BOCES since July of 2008. Previous positions at

the DCMO BOCES since 1997 include Senior Account Clerk-Typist, Treasurer, Principal Account Clerk and Business Administrator for the Educational Finance Office and Central Business Office. Ms. Rowe is a native of Greene, New York, and received her Bachelor’s and Masters’ Degree in Business Administration from Empire State College. She currently holds New York State Certification as a School District Administrator.

Employees

The number of persons employed by DCMO BOCES, the collective bargaining agents, if any, which represent them, and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
184	BESPA	June 30, 2015 (1)
155	BTA	June 30, 2016
27	BAA	June 30, 2016
49	Non-Represented	N/A

(1) Currently under negotiation.

Source: DCMO BOCES records.

Facilities

The DCMO BOCES presently occupies approximately 336,013 square feet in 6 buildings that it owns on two campuses.

Financial Information

Funding of Delaware, Chenango, Madison and Otsego Counties BOCES comes from the 16 component school districts. Each pays a proportional share of Delaware, Chenango, Madison and Otsego Counties BOCES administrative expenses (based on either attendance or enrollment formulas) through tax levies, and local school boards vote on its administrative budget each spring. The portion of the budget allocated to payments to DASNY, however, is not subject to such vote of the local school boards. The 2013/14 and 2014/2015 administrative budgets were approved by overwhelming margins. Delaware, Chenango, Madison and Otsego Counties BOCES programs are funded by the districts based on each component school district’s program use. The State gives the component school districts BOCES aid moneys to partially reimburse them for BOCES services and administrative expenses.

The most recent audited financial statements are available for review on the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Delaware, Chenango, Madison and Otsego Counties BOCES
<http://emma.msrb.org/IssueView/IssueDetails.aspx?id=ER343271>
 Base CUSIP: 64982P

The following chart shows, for the school year ending June 30, 2015, for each component school district, (a) the total amount payable from the school district to Delaware, Chenango, Madison and Otsego Counties BOCES and the percentage such amount represents of Delaware, Chenango, Madison and Otsego Counties BOCES' overall receipts from component school districts, and (b) the proportionate share of Delaware, Chenango, Madison and Otsego Counties BOCES administrative expenses paid by such component school district and the percentage such amount represents of Delaware, Chenango, Madison and Otsego Counties BOCES' overall administrative expenses.

Component School Districts' Share of DCMO BOCES Expenses for Fiscal Year ended June 30, 2014

<u>Component School District</u>	<u>Total Amount Paid to DCMO</u>	<u>Percentage Share of Total DCMO Receipts</u>	<u>Amount Allocated to Administrative Expenses</u>	<u>Percentage Share of Administrative Expenses</u>
Afton CSD	\$2,089,184.07	4.88%	\$95,766.25	4.610%
Bainridge-Guilford CSD	3,031,626.86	7.07%	123,810.60	5.960%
Delhi CSD	2,116,431.29	4.94%	121,525.51	5.850%
Downsville CSD	1,128,252.39	2.63%	47,363.78	2.280%
Franklin CSD	782,573.39	1.83%	41,754.92	2.010%
Gilbertsville-Mt. Upton CSD	1,435,474.71	3.35%	61,697.57	2.970%
Greene CSD	4,162,181.00	9.71%	176,575.52	8.500%
Hancock CSD	1,432,472.78	3.34%	57,127.37	2.750%
Norwich City SD	5,578,709.76	13.02%	315,135.34	15.170%
Otselic Valley CSD	1,726,778.89	4.03%	61,074.35	2.940%
Oxford CSD	2,650,033.13	6.18%	127,134.37	6.120%
Sherburne-Earlville CSD	3,789,326.68	8.84%	225,185.72	10.840%
Sidney CSD	4,486,089.92	10.47%	176,367.78	8.490%
Unadilla Valley CSD	2,446,638.81	5.71%	130,250.41	6.270%
Unatego CSD	3,202,375.56	7.47%	155,386.45	7.480%
Walton CSD	<u>2,791,787.30</u>	<u>6.53%</u>	<u>161,203.06</u>	<u>7.760%</u>
Totals	<u>\$42,849,936.54</u>	<u>100.00%</u>	<u>\$2,077,359.00</u>	<u>100.00%</u>

* Totals may not add due to rounding.

Source: DCMO BOCES records.

The following chart presents, for the preceding five school years, Delaware, Chenango, Madison and Otsego Counties BOCES' General Fund revenues, expenses and fiscal year surpluses.

Delaware, Chenango, Madison and Otsego Counties BOCES Revenues and Expenses

	School Year Ending <u>June 30, 2010</u>	School Year Ending <u>June 30, 2011</u>	School Year Ending <u>June 30, 2012</u>	School Year Ending <u>June 30, 2013</u>	School Year Ending <u>June 30, 2014</u>
General Fund Revenue	\$43,799,098	\$45,316,711	\$45,942,775	\$47,115,209	\$49,321,537
General Fund Expenditures	<u>(41,347,340)</u>	<u>(43,006,545)</u>	<u>(44,365,786)</u>	<u>(44,666,987)</u>	<u>(46,649,406)</u>
Fiscal Year Surplus	\$2,451,758	\$2,310,166	\$1,576,989	\$2,448,222	\$2,672,131

Source: DCMO BOCES records.

The following chart presents the amount of State aid accrued by Delaware, Chenango, Madison and Otsego Counties BOCES during the past five school years ended June 30 of the years shown, although a portion of such amount may have been received by Delaware, Chenango, Madison and Otsego Counties BOCES in the next school year. State aid for administrative services expenses is based on the preceding year's expenditures, while capital and facilities rental aid is based on the Delaware, Chenango, Madison and Otsego Counties BOCES budget for the year in which it is received.

State Aid Appropriations to Delaware, Chenango, Madison and Otsego Counties BOCES

School Year <u>Ending June 30,</u>	<u>State Aid</u>
2014	\$17,679,314
2013	\$17,874,892
2012	\$17,374,810
2011	\$17,380,510
2010	\$17,358,493

Source: DCMO BOCES records.

Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively

scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller designates 1 of the 18 component districts of SLL BOCES as “Moderate Fiscal Stress” and 2 of the 18 component districts as “Susceptible to Fiscal Stress.” The other 15 component school districts balance of DCMO BOCES were classified in a category of “no designation.”

For a complete list of school district and municipal fiscal stress scores, visit:

http://www.osc.state.ny.us/localgov/fiscalmonitoring/pdf/schools/schools_summary_lists.pdf

http://www.osc.state.ny.us/localgov/fiscalmonitoring/pdf/schools/schools_stress_list.pdf

For the copy of the Comptroller’s fiscal stress common themes report for school districts visit:

<http://www.osc.state.ny.us/localgov/fiscalmonitoring/pdf/FiscalStressSummaryResultsSchoolDistricts.pdf>

For a complete description of the Comptroller’s Fiscal Stress Monitoring System visit:

<http://osc.state.ny.us/localgov/pubs/fiscalmonitoring/pdf/fiscalstressmonitoring.pdf>.

For quick facts on the Fiscal Monitoring System, visit:

http://www.osc.state.ny.us/press/fiscal_stress_monitoring/june_2013/fact_sheet_monitoring_system.pdf

Note: Reference to websites implies no warranty of accuracy of information therein.

Future Capital Projects

All New York State school districts and BOCES are required to periodically develop building condition surveys and conduct annual visual inspections for their respective facilities. At the present time DCMO BOCES has no specific capital improvement plans that will require borrowing.

Indebtedness

Upon the refunding of the Refunded Bonds related to DCMO BOCES, the DCMO BOCES will only have the DCMO Bonds outstanding.

Litigation

There are no suits pending or, to the knowledge of the members of the Delaware, Chenango, Madison and Otsego Counties BOCES Board, threatened against Delaware, Chenango, Madison and Otsego Counties BOCES wherein an unfavorable result would have a material adverse effect on the financial condition of Delaware, Chenango, Madison and Otsego Counties BOCES or the Bonds. Any litigation pending is generally of a routine nature which does not affect the right of Delaware, Chenango, Madison and Otsego Counties BOCES to conduct its business or affect the validity of its obligations.

GASB 45 and OPEB

Delaware, Chenango, Madison and Otsego Counties BOCES contracted with Questar III - BOCES to calculate its “other post-employment benefits” (“OPEB”) plan (the “Plan”) in accordance with GASB 45. As of July 1, 2012, the most recent actuarial valuation date, the actuarial accrued liability (“AAL”), the portion of the actuarial present value of the total future benefits based on the employees’ service rendered to the measurement date is \$36,241,254. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$36,241,254. Delaware, Chenango, Madison and Otsego Counties’ BOCES annual OPEB cost was \$3,730,584 and is equal to the adjusted annual required contribution (ARC). Delaware, Chenango, Madison and Otsego Counties BOCES is on a pay-as-you-go funding basis and was expected to have paid \$398,520 to the Plan for the fiscal year ending June 30, 2014 resulting in a year-end net OPEB obligation of \$17,755,700. The unfunded actuarial accrued liability over time could have a material adverse impact upon Delaware, Chenango, Madison and Otsego Counties’ BOCES finances.

Pension Payments

Set forth below is a table of payments made by Delaware, Chenango, Madison and Otsego Counties BOCES to ERS and TRS for the 2010-2011 through 2014-2015 fiscal years:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2010-11	\$752,615	\$712,303
2011-12	1,065,600	955,192
2012-13	1,214,963	1,213,729
2013-14 (Actual)	1,265,858	1,246,369
2014-15 (Budgeted)	1,401,992	1,721,123

APPENDIX C-2

DESCRIPTION OF ST. LAWRENCE-LEWIS BOCES

There follows in this Appendix C-2 a brief description of St. Lawrence and Lewis Counties BOCES (the "SLL BOCES"), together with certain information concerning its history, operations, governance, facilities, financial information and future financing plans.

History

St. Lawrence and Lewis Counties BOCES was established in the early 1950's and provides shared services to 18 school districts in St. Lawrence and Lewis Counties, New York that together have approximately 16,200 students.

Operations

St. Lawrence and Lewis Counties BOCES programs and services for school districts are divided into six divisions providing the following programs and services:

Special Education – Offers a spectrum of programs for children who are moderately to severely impaired, from age 3 to age 21. Center-based programs serve children with educational programs and a range of therapies, with the goal of equipping children to live productive and independent lives. This department also provides support services to help districts meet their special education students' needs in their own schools.

Career and Technical Education and Alternative Education – There are currently 16 different CTE programs available at three locations. The CTE program strives to provide relevant career and college preparation to secondary students and adult residents of the SLL BOCES region. In addition, many articulation agreements and dual enrollment agreements between colleges, in and out of state, and the St. Lawrence-Lewis BOCES are in effect to grant academic credit to CTE Center graduates. Evening CTE courses are offered to adults in conjunction with the Adult and Continuing Education program of study. A Unique Occupations program, designed to provide career exploration and community-based work experience to interested high school seniors throughout the county offers opportunities in career areas that could not otherwise be studied in the CTE Centers or the traditional high school setting. Allied Health, a college prep course offered at the CTE Centers, provides an opportunity for interested senior students to explore careers in health occupations.

Curriculum, Instruction and Technology – Integrates the areas of curriculum, instruction and instructional technology. Designed to be a cohesive force for instructional planning with school districts, the department is able to address district needs and provide a single clear-cut line of access for support in related areas. Staff members within the department work together to help local districts integrate technology into instructional programs. Seeking to assist educators in their efforts to help students meet the new higher standards, the department's comprehensive, year round, professional development program provides teachers and administrators with the latest information about instructional strategies, new assessment tools and curriculum development. The department's services are loosely grouped as: 1) Planning and Assessment, 2) Professional Development, 3) Instructional Technology, and 4) Library Resources and Educational Communications.

Communications and Agency Planning – Offers school districts professional resources in public relations. The department brings together teams of experts, and can plan and implement comprehensive communications programs including budget campaigns, electronic media, special events and crisis consulting.

Business Services – Comprises all of the functions related to the financial management of St. Lawrence-Lewis BOCES, including budgeting, payroll, billing and purchasing, plus the maintenance and food services offices. The department includes the Graphic Arts and Printing program which produces a wide variety of printed materials. The department also offers a Co-operative Bidding Program that offers school districts access to joint, high-volume bids.

Human Resources – Manages the recruitment, hiring and retention of St. Lawrence-Lewis BOCES personnel, and provides support to all St. Lawrence-Lewis BOCES departments in employee relations, staff development and other human resources concerns. The department also makes available to school districts services from the Regional Certification Office as well as labor relations management and teacher recruitment.

Governance

The SLL BOCES carries out its programs through a nine-member board and a staff of approximately 592 salaried staff members, supplemented by approximately 108 hourly and/or daily employees. The SLL BOCES Board is made up of 9 members representing the component districts within the SLL BOCES area, and generally, with certain exceptions, no more than one member may reside within the boundaries of a particular school district. The SLL BOCES Board members are elected by the boards of education of the 18 component school districts, and each serves for a period of three years, unless appointed or elected in a special election to serve out the term of office of a SLL BOCES Board member who has resigned. They serve without compensation, but are reimbursed for some expenses incurred in carrying out their responsibilities.

All authority rests with the SLL BOCES Board as a whole, and not with any individual member or any group of members in any committee. The SLL BOCES Board has responsibility for the governance of the SLL BOCES and for all final policy decisions.

The current members of the Board of Cooperative Educational Services are as follows:

Roger M. Bennett, President – has been a member of the St. Lawrence-Lewis BOCES Board since 1995, and has served as Board President since 2003.

- Served 15 years on the Massena Central School District Board of Education; Vice-President from 1983-1988 and President from 1992-1995.
- Received the New York State School Boards Association Master of Boardmanship Award in September 2003; the award is the highest honor bestowed by the Associations Leadership Development Recognition Program.
- Retired from a 41 year career at the New York State Power Authority, having held positions in both the union and management.
- Currently the president of the Massena Rescue Squad Board of Managers, a member of the Village of Massena Planning Board, chairman of the St. Lawrence County Recreational Trails Advisory Board, and past member of the New York State Certified Long Term Care Ombudsman.
- A past member of the New York State School Boards Association Resolutions Committee, Ad Hoc Committee, and past president of the St. Lawrence-Lewis Counties School Boards Association.
- United States Army Veteran

Dana Smith, Vice President – has been a St. Lawrence-Lewis BOCES Board member since 2002, and has served as Board Vice-President since 2003

- Served as a member of the Madrid Waddington Central School Board of Education from 2003-2009; a former member of the Horseheads Central School District Board of Education from 1991-1997; and the Schuyler-Chemung-Tioga BOCES Board of Education from 1996-2001
- Ambassador for the New York State School Boards Association and member of the New York State School Boards Association—Board of Directors—Area 6, 2006-2012
- Worked as an elementary school teacher for seven years in the Schenectady City School System
- Retired as Superintendent after a 29 year career with the New York State Department of Correctional Services
- Retired after 23 years of service with the United States Army Reserves

Nancy Cappellino, Board Member – has been a St. Lawrence-Lewis BOCES Board member since 1995, and has served as a past president.

- Member of SLL BOCES Audit Committee.
- Board of Education representative on SLL BOCES contract negotiations team.
- Served on the Gouverneur Central School Board of Education from 1974 to 2012 (38 years), 16 years as board president.
- New York State School Boards Association voting delegate.
- Co-partner of Penguin Lanes, Inc. from 1977-1989.
- Received degree from SUNY Canton, 1994.

Patricia Gengo, Board Member – has been a St. Lawrence-Lewis BOCES Board member since 2006.

- Serving on the Brasher Falls Central School District Board of Education since 1996, past president
- Serves as a Legislative Liaison.
- A NYSSBA delegate serving on the NYSSBA Resolutions Committee and the Ad Hoc Advisory Committee on testing and accountability
- Served on the Senior Recognition and New School Board Training Committees of the St. Lawrence-Lewis Counties School Boards Association
- A member of the Federal Relations Network
- Acts as the Brasher Falls Central School District representative on the SLL BOCES Committee of Key Communicators
- Speech therapist for 32 years in public schools for St. Lawrence-Lewis County BOCES, retiring in 1993
- Earned the NYSSBA Master of Boardmanship Award and completed the Magna Award application for Brasher Falls Central School District

Marjorie McCullough, Board Member – has been a St. Lawrence-Lewis BOCES Board member since 2001.

- Serving on the Hammond Central School Board of Education since 1974; is the Legislative Liaison for the district, and is currently serving as the president of the BOE.
- Represents the St. Lawrence-Lewis Counties School Boards Association at the Federal Relations Network Annual Conference held in Washington D.C.; appointment as representative made by the Area 6 Director for the New York State School Boards Association
- Awarded the Master of Boardmanship, 2004-2005, the awarded is the highest honor bestowed by the Associations Leadership Development Recognition Program
- Retired from 33 years of teaching in the Gouverneur Central School District
- Present member of the Rossie Planning Board; the New York State Retired Teachers' Association, and the Gouverneur Retired Teachers' Association

Shelli Prespare-Weston, Board Member – has been a St. Lawrence-Lewis BOCES Board member since 2008.

- Elected to the Colton-Pierrepoint Central School Board in 1990, currently serves as the vice president
- Employed at Cerebral Palsy Association of the North Country for 30 years; currently the Director of Community Development
- Earned a BA in Sociology from SUNY Potsdam; an AA in Liberal Arts from SUNY Canton; and a graduate of Knox Memorial Central School

Andrea Webb, Board Member – has been a St. Lawrence-Lewis BOCES Board member from 2007-2013 and again since 2015.

- Past member of the SLL BOCES BOE, 2007-2013, serving on the Policy, Medicaid Compliance, and Hiring Committees
- Served on the Edwards-Knox Board of Education from 1990-2005, also serving as the Board president for three years
- Graduated from Notre Dame College of St. John's University with a BA, cum laude, in English Literature; completed graduate work at NYU, the New School for Social Research, Wagner College, St. Vincent's Hospital of Manhattan, School of Nursing

James Young, Board Member – has been a St. Lawrence-Lewis BOCES Board member since 2012.

- Member of the Parishville-Hopkinton Central School Board of Education since 1980
- Past President of the St. Lawrence County School Boards Association
- Began his teaching career in 1963, retiring in 2002
- Volunteers in the CAD lab at Parishville-Hopkinton Central School
- Owns and operates a construction business

John Zeh, Board Member – has been a St. Lawrence-Lewis BOCES Board member since 2012.

- Doctor of Veterinary Medicine - NYS College of Veterinary Medicine at Cornell University - 1979
- Served on the Heuvelton Central School Board of Education from 1981-2013

- SUNY Canton Veterinary Science Advisory Panel

The principal administrative staff members of the SLL BOCES are as follows:

Thomas R. Burns, District Superintendent

- Serves as both the Chief Executive Officer of the SLL BOCES and as District Superintendent, fulfilling responsibilities as regional representative of the New York State Commissioner of Education
- Previously served as Superintendent of Schools, Principal, Assistant Principal and Athletic Director for Parishville-Hopkinton CSD, as well as a Social Studies Teacher for Parishville-Hopkinton CSD and Norwood-Norfolk CSD.
- Received a BA in History from SUNY Potsdam and Secondary Social Studies Certification, a Masters in Education from SUNY Potsdam. Received a Certificate of Advanced Studies in School Administration from St. Lawrence University.

Ronald Burke, Assistant Superintendent for Instruction

- Previously served as CTE Principal for St. Lawrence-Lewis BOCES, as well as Principal at Edwards- Knox Central School and Mathematics Teacher at Saranac Lake CSD and Chazy CSD.
- Received a BA in Mathematics from SUNY Potsdam, a Masters in Education from SUNY Potsdam, Masters in Educational Administration from University of Scranton and is currently enrolled at Niagara University in the Transitional-D School District Leader program.

Nicole Ashley, Director of Financial Affairs

- Previously served as School Business Manager at Norwood-Norfolk CSD and Brasher Falls CSD, as well as Assistant School Business Manager for Parishville-Hopkinton CSD and Harrisville CSD, and Director of New Student Financial Assistance at Clarkson University.
- Received a BA in Mathematics and Economics from SUNY Potsdam and a Masters in Business Administration from Clarkson University.

Employees

The number of persons employed by SLL BOCES, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
196	St. Lawrence-Lewis Counties BOCES Teachers Association	June 30, 2014 (1)
244	St. Lawrence-Lewis BOCES Federation of Instructional Support Personnel	June 30, 2012 (1)

(1) Currently under negotiation.

Source: SLL BOCES management.

Facilities

The SLL BOCES presently occupies approximately 265,000 square feet in 5 buildings that it owns; 2 buildings leased in their entirety (one from a commercial landlord and one from a school district).

Financial Information

Funding of St. Lawrence and Lewis Counties BOCES comes from the 18 component school districts. Each pays a proportional share of St. Lawrence and Lewis Counties BOCES administrative expenses (based on either attendance or enrollment formulas) through tax levies, and local school boards vote on its administrative budget each spring. The portion of the budget allocated to payments to DASNY, however, is not subject to such vote of the local school boards. The 2013/14 and

2014/2015 administrative budgets were approved by overwhelming margins. St. Lawrence and Lewis Counties BOCES programs are funded by the districts based on each component school district's program use. The State gives the component school districts BOCES aid moneys to partially reimburse them for BOCES services and administrative expenses.

The most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

St. Lawrence and Lewis Counties BOCES

<http://emma.msrb.org/IssueView/IssueDetails.aspx?id=ER343271>

Base CUSIP: 649906

The following chart shows, for the school year ending June 30, 2015, for each component school district, (a) the total amount payable from the school district to St. Lawrence and Lewis Counties BOCES and the percentage such amount represents of St. Lawrence and Lewis Counties BOCES' overall receipts from component school districts, and (b) the proportionate share of St. Lawrence and Lewis Counties BOCES administrative expenses paid by such component school district and the percentage such amount represents of St. Lawrence and Lewis Counties BOCES' overall administrative expenses.

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Component School Districts' Share of SLL BOCES Expenses for Fiscal Year ended June 30, 2014

<u>Component School District</u>	<u>Total Amount Paid to SLL_ BOCES</u>	<u>Percentage Share of Total SLL BOCES Receipts</u>	<u>Amount Allocated to Administrative Expenses</u>	<u>Percentage Share of Administrative Expenses</u>
Brasher Falls	\$ 3,208,466.95	6.07%	\$ 326,911.00	6.91%
Canton	3,928,311.04	7.43%	385,217.00	8.14%
Clifton-Fine	1,014,083.35	1.92%	90,791.00	1.92%
Colton-Pierrepoint	1,317,226.04	2.49%	102,397.00	2.16%
Edwards-Knox	1,458,837.90	2.76%	175,783.00	3.71%
Gouverneur	4,065,689.78	7.69%	488,769.00	10.33%
Hammond	1,233,605.57	2.33%	95,434.00	2.02%
Harrisville	1,380,167.98	2.61%	124,152.00	2.62%
Hermon-Dekalb	2,216,276.78	4.19%	116,607.00	2.46%
Heuvelton	2,464,726.92	4.66%	165,919.00	3.51%
Lisbon	2,135,132.78	4.04%	164,759.00	3.48%
Madrid-Waddington	2,322,837.68	4.40%	215,231.00	4.55%
Massena	7,551,933.01	14.29%	858,899.00	18.15%
Morristown	2,170,616.62	4.11%	108,196.00	2.29%
Norwood-Norfolk	3,220,206.96	6.09%	289,200.00	6.11%
Ogdensburg	6,254,961.78	11.84%	499,504.00	10.55%
Parishville-Hopkinton	1,798,472.99	3.40%	133,723.00	2.83%
Potsdam	<u>5,094,253.45</u>	<u>9.64%</u>	<u>391,887.00</u>	<u>8.28%</u>
Total	\$52,835,808.00	100.00%	\$4,733,379.00	100.00%

* Totals may not add due to rounding.

Source: SLL BOCES records.

The following chart presents, for the preceding five school years, St. Lawrence and Lewis Counties BOCES' General Fund revenues, expenses and fiscal year surpluses.

St. Lawrence and Lewis Counties BOCES Revenues and Expenses

	School Year Ending <u>June 30, 2010</u>	School Year Ending <u>June 30, 2011</u>	School Year Ending <u>June 30, 2012</u>	School Year Ending <u>June 30, 2013</u>	School Year Ending <u>June 30, 2014</u>
General Fund Revenue	\$ 45,574,812	\$ 46,681,658	\$ 48,862,078	\$ 53,949,330	\$ 56,751,909
General Fund Expenditures	<u>(43,154,232)</u>	<u>(43,362,611)</u>	<u>(46,813,732)</u>	<u>(51,334,991)</u>	<u>(55,162,938)</u>
Fiscal Year Surplus	\$ 2,420,580	\$ 3,319,047	\$ 2,048,346	\$ 2,614,339	\$ 1,588,971

Source: SLL BOCES records.

The following chart presents the amount of State aid accrued by St. Lawrence and Lewis Counties BOCES during the past five school years ended June 30 of the years shown, although a portion of such amount may have been received by St. Lawrence and Lewis Counties BOCES in the next school year. State aid for administrative services expenses is based on the preceding year's expenditures, while capital and facilities rental aid is based on the St. Lawrence and Lewis Counties BOCES budget for the year in which it is received.

State Aid Appropriations to St. Lawrence and Lewis Counties BOCES

School Year <u>Ending June 30,</u>	<u>State Aid</u>
2014	\$16,729,522
2013	\$16,381,989
2012	\$16,688,267
2011	\$18,424,066
2010	\$17,778,036

Source: SLL BOCES records.

Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller designates 5 of the 18 component districts of SLL BOCES as "Susceptible to Fiscal Stress." The other 13 component school districts balance of DCMO BOCES were classified in a category of "no designation."

For a complete list of school district and municipal fiscal stress scores, visit:

http://www.osc.state.ny.us/localgov/fiscalmonitoring/pdf/schools/schools_summary_lists.pdf

http://www.osc.state.ny.us/localgov/fiscalmonitoring/pdf/schools/schools_stress_list.pdf

For the copy of the Comptroller's fiscal stress common themes report for school districts visit:

<http://www.osc.state.ny.us/localgov/fiscalmonitoring/pdf/FiscalStressSummaryResultsSchoolDistricts.pdf>

For a complete description of the Comptroller's Fiscal Stress Monitoring System visit:

<http://osc.state.ny.us/localgov/pubs/fiscalmonitoring/pdf/fiscalstressmonitoring.pdf>

For quick facts on the Fiscal Monitoring System, visit:

http://www.osc.state.ny.us/press/fiscal_stress_monitoring/june_2013/fact_sheet_monitoring_system.pdf

Note: Reference to websites implies no warranty of accuracy of information therein.

Future Capital Projects

All New York State school districts and BOCES are required to periodically develop building condition surveys and conduct annual visual inspections for their respective facilities. SLL BOCES intends to undertake a modest renovation project having a maximum estimated cost of \$850,000 in the fall of 2015 that shall be financed through budget appropriations (no borrowing). At the present time SLL BOCES has no specific capital improvement plans that will require borrowing.

Indebtedness

Following issuance of the Series 2015 Bonds, DASNY's 2011 SLL Bonds in the current outstanding amount of \$6,010,000 will remain outstanding. The pledge and assignment of the Basic Rent by SLL BOCES is subordinate to the pledge and assignment made by SLL BOCES in order to secure the 2011 SLL Bonds. As a result, any State funds payable to SLL BOCES pursuant to the applicable Agreement and received by the Trustee will be applied first to payments to be made by SLL BOCES for the 2011 SLL Bonds and second to the payments for the SLL Bonds.

SLL BOCES has historically issued Revenue Anticipation Notes on an annual basis in the approximate par amount of \$6.5 million and expects to do so again in June/July of 2015.

Litigation

There are no suits pending or, to the knowledge of the members of the St. Lawrence and Lewis Counties BOCES Board, threatened against St. Lawrence and Lewis Counties BOCES wherein an unfavorable result would have a material adverse effect on the financial condition of St. Lawrence and Lewis Counties BOCES or the Bonds. Any litigation pending is generally of a routine nature which does not affect the right of St. Lawrence and Lewis Counties BOCES to conduct its business or affect the validity of its obligations.

GASB 45 and OPEB

St. Lawrence and Lewis Counties BOCES contracted with Armory Associates, LLC to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of July 1, 2013, the most recent actuarial valuation date, the actuarial accrued liability ("AAL"), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date is \$169,783,101. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$169,783,101. St. Lawrence and Lewis Counties' BOCES annual OPEB cost was \$17,575,642 and is equal to the adjusted annual required contribution (ARC). St. Lawrence and Lewis Counties BOCES is on a pay-as-you-go funding basis and was expected to have paid \$2,960,416 to the Plan for the fiscal year ending June 30, 2014 resulting in a year-end net OPEB obligation of \$70,042,715. The unfunded actuarial accrued liability over time could have a material adverse impact upon St. Lawrence and Lewis Counties' BOCES finances.

Pension Payments

Set forth below is a table of payments made by St. Lawrence and Lewis Counties BOCES to ERS and TRS for the 2010-2011 through 2014-2015 fiscal years:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$777,377	\$1,139,451
2011-2012	988,497	1,533,327
2012-2013	1,240,006	1,986,994
2013-2014	1,459,023	2,143,172
2014-2015 (Budgeted)	1,322,619	2,631,997

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**SUMMARY OF CERTAIN PROVISIONS
OF THE LEASE AND AGREEMENTS**

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SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AND AGREEMENTS

The following is a brief summary of certain provisions of the Amended and Restated Lease and Agreements relating to the Series 2015 Bonds. Such summary does not purport to be complete and reference is made to the Agreements for full and complete statements of such and all provisions. Unless otherwise indicated, the provisions summarized below are found in each applicable Agreement. Defined terms used in the Agreements will have the meanings ascribed to them in Appendix A or in the body of this Official Statement. References in this Appendix D to the “Series 2015 Bonds” shall mean the Series of Series 2015 Bonds to which an Agreement relates; references in this Appendix D to a “BOCES” shall mean the BOCES that executed and delivered the applicable Agreement, and references in this Appendix D to the “Project”, the “Lease Term” and the “Leased Property” shall mean the Project and Lease Term of, and the property conveyed by, the applicable Agreement, respectively.

Term of Lease

The term of the Agreements will commence on the date on which the Series 2015 Bonds are first issued and delivered by the Authority, and will terminate on the date on which no Series 2015 Bonds are Outstanding and each applicable BOCES has satisfied its obligations under the Applicable Agreement (the “Lease Term”). Notwithstanding the termination of the term of an Agreement, the obligations of each applicable BOCES under such Agreement will not terminate unless and until no Series 2015 Bonds are outstanding and each applicable BOCES has satisfied its obligations under such Agreement, provided that the sections from the Agreement as summarized under the headings “Indemnification of Authority and Limitation on Liability” and “Tax Exempt Status of the Bonds” herein will survive such termination.

(Section 2.02)

Payment of Rentals

(a) each applicable BOCES will pay to the Authority the following Basic Rent in the amounts and on the dates as follows:

(i) Subject to subdivision (e) of this subsection, on each September 1, or if such September is not a Business Day then the next succeeding Business Day, the interest on Outstanding Series 2015 Bonds payable on the next succeeding February 15 and August 15 and the principal and Sinking Fund Installments of Outstanding Series 2015 Bonds payable by reason of maturity and redemption on the next succeeding August 15;

(ii) Subject to subdivision (e) of this subsection, on each September 1, or if such September is not a Business Day then the next succeeding Business Day, the amount, if any, as will have been set forth in the certificate of the Trustee made pursuant to the Master Resolution as summarized in Appendix D under the heading “Debt Service Reserve Fund” as necessary to restore the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement; and

(iii) On the fifth Business Day prior to each interest payment date, the amount, if any, necessary to cause the amount on deposit in the Debt Service Fund to equal the amount of principal of and interest payable on the Series 2015 Bonds on such interest payment date.

Each applicable BOCES will have the option to make from time to time prepayments in part of payments due as aforesaid of Basic Rent, together with interest accrued and to accrue and premium, if any, to be paid on the Series 2015 Bonds, if such prepayment is to be used for the purchase or redemption of such Series 2015 Bonds. To the extent that each applicable BOCES prepays all of the Basic Rent payable with respect to a Project (as determined by the Authority and BOCES), such Project may be released from the Applicable Agreement. The Trustee will apply such prepayments in such manner consistent with the provisions of the Master Resolution as may be specified in writing by the applicable BOCES at the time of making such prepayment.

Subject to the provisions of the Applicable Agreement and of the Master Resolution, each applicable BOCES will receive a credit against the amount required to be paid by each applicable BOCES pursuant to subparagraph (i) of this subsection (a) on account of any Sinking Fund Installments if, not less than forty-five (45) days prior to an August 15 on which a Sinking Fund Installment is scheduled to be due, there will be delivered to the

Trustee for cancellation one or more of the Series 2015 Bonds of the Series and maturity to be so redeemed on such August 15. The amount of the credit will be equal to the principal amount of Bonds so delivered and cancelled.

(b) Each applicable BOCES will pay to the Authority, as additional rent for the Project, the amounts, and on the dates, as follows:

(i) On the date of delivery of the Series 2015 Bonds, to the extent not paid from the proceeds of the Series 2015 Bonds, the Authority Fee and any Administrative Expenses, as estimated by an Authorized Officer of the Authority, incurred in connection with the issuance of the Series 2015 Bonds;

(ii) On each March 31 or such other date as may be agreed to by the Authority, the Annual Administrative Fee;

(iii) The Administrative Expenses of the Authority, the Trustee and each Paying Agent for the Series 2015 Bonds, within sixty (60) days after notice of the amount thereof is given to each applicable BOCES; and

(iv) The amount determined by an Authorized Officer of the Authority as required to be rebated to the Department of the Treasury of the United States of America in excess of the amount available therefor in the Arbitrage Rebate Fund.

(c) The Authority will furnish each applicable BOCES not less than sixty (60) days prior to the date on which a payment is due pursuant to this subsection, a statement of the amount, purpose and payment date of each payment required to be made pursuant to this subsection. With respect to the payment of Basic Rent pursuant to subsection (a) above, the amount set forth in such statement will be net of amounts on deposit in the Debt Service Fund, including the State funds received and such interest earnings thereon, if any, as of the date of such statement and such statement will set forth the amount of such State funds received, such interest earnings thereon and amounts still owed to the Authority. The failure to furnish such statement will not excuse any BOCES's failure to pay, when due, the Basic Rent payable pursuant to this section.

(d) In addition to the payments required under this heading, in the event a Reserve Fund Facility is deposited for all or part of the Debt Service Reserve Fund Requirement in accordance with the Master Resolution, as summarized in Appendix E under the heading "Debt Service Reserve Fund," each applicable BOCES will be obligated (i) to make payments to the Trustee to restore the Debt Service Reserve Fund to its requirement so that the Facility Provider may be reimbursed for amounts paid by it pursuant to such Reserve Fund Facility and (ii) to pay the Administrative Expenses of the Authority incurred in connection with such Reserve Fund Facility, including without limitation, amounts necessary to pay fees, expenses and interest payable to the Facility Provider by the Authority in connection with such Reserve Fund Facility. If the Reserve Fund Facility is to be replaced with money pursuant to the third paragraph of the heading "Debt Service Reserve Fund" summarized in Appendix E, each applicable BOCES will be obligated to make payments to the Trustee in amounts and at the times that deposits are to be made to the Debt Service Reserve Fund pursuant to such paragraph.

(e) Each applicable BOCES will receive a credit against payment due under the Applicable Agreement equal to the amount of State funds received by the Trustee or the Authority to be applied towards such payment. If the amount of such State funds received by the Trustee or the Authority on September 1 is less than the amount required to be paid under the Agreements, the Authority will give notice to each applicable BOCES not more than ten (10) days from such September 1. Such notice will state the amount received by the Trustee and the Authority and the amount still due and payable.

The Authority will notify each applicable BOCES of the receipt of any payment of State funds by the Authority or the Trustee after September 1 no more than ten (10) days after receipt of such funds, which notice will state the amount received by the Trustee and the Authority and the amount still due and payable. If the amount of State funds received by the Trustee or the Authority by January 1 of each year is less than the amount of interest payable on the Series 2015 Bonds on February 15, each applicable BOCES will pay to the Trustee by January 15 the difference between the amount of State funds received and the interest payable on the Series 2015 Bonds on February 15. If the amount of State funds received by the Trustee or the Authority by July 1 of each year, after the application of the amounts necessary to make the interest payments due on the preceding February 15, is less than the amount of principal and interest payable on the Series 2015 Bonds on August 15, each applicable BOCES will

pay to the Trustee by July 15 the difference between the amount of State funds received and the principal and interest payable on the Series 2015 Bonds on August 15.

If on January 1 of each year the amount of moneys on deposit in a Debt Service Reserve Fund is less than the applicable Debt Service Reserve Fund Requirement, each applicable BOCES will pay to the Trustee by January 15 the difference between the amount of State funds received and the amount of money to make up the deficiency in the applicable Debt Service Reserve Fund and satisfy the applicable Debt Service Reserve Fund Requirement. If on July 1 of each year the amount of moneys on deposit in a Debt Service Reserve Fund is less than the applicable Debt Service Reserve Fund Requirement, each applicable BOCES will pay to the Trustee by July 15 the difference between the amount of State funds received and the amount of money to make up the deficiency in the applicable Debt Service Reserve Fund and satisfy the applicable Debt Service Reserve Fund Requirement.

(Section 4.01)

Indemnification of Authority and Limitation on Liability

Both during the Lease Term and thereafter, each applicable BOCES, to the extent permitted by law, (i) will release the Authority and each director, officer and employee of the Authority from claims for damages or liability arising from or out of the design, acquisition, construction, reconstruction, rehabilitation, improvement, or use of the Leased Property pursuant to the Agreements, and (ii) will indemnify and hold the Authority and each member, officer and employee of the Authority harmless against any and all liabilities, losses, costs, damages or claims, and will pay any and all judgments or expenses of any and all kinds or nature and however arising, imposed by law, including interest thereon, which it or any of them may sustain, be subject to or be caused to incur by reason of any claim, action, suit, charge or proceeding arising (1) from or out of the design, acquisition, construction, reconstruction, rehabilitation, improvement or use of the Leased Property (including the Project), pursuant hereto, based upon: personal injury, death, or damage to property, whether real, personal or mixed; or upon or arising out of contracts entered into by the Authority; or (2) upon or arising out of the Authority's ownership of a leasehold estate of the Leased Property or the leasing thereof to each applicable BOCES; or (3) upon or arising out of the acquisition of the Leased Property, or upon or arising out of an allegation that an official statement, prospectus, placement memorandum or other offering document prepared in connection with the sale and issuance of the Series 2015 Bonds contained an untrue or misleading statement of a material fact obtained from any BOCES relating to each applicable BOCES or the Project, or omitted to state a material fact relating to each applicable BOCES or the Project necessary in order to make the statements made therein in light of the circumstances under which they were made not misleading; provided, however, that neither the Authority nor a member, officer or employee of the Authority will be released, indemnified or held harmless from any claim for damages, liability, loss, cost, damage, judgment or expense arising out of the gross negligence or willful misconduct of the Authority, such member, officer or employee. The Authority will not settle any such suit, action or proceeding without the prior written consent of counsel to each applicable BOCES.

(Section 4.03)

Nature of Obligation of a BOCES

The obligation of any BOCES to pay Rentals and to pay all other amounts provided for in the Agreements and to perform its obligations thereunder are absolute and unconditional, and such Rentals and other amounts are payable without any rights of set-off, recoupment or counterclaim it might have against the Authority, the Trustee or any other person and whether or not any or all of the Project is used or occupied or available or suitable for use or occupancy and whether or not each applicable BOCES Lease is in effect. If a particular BOCES has paid all amounts required under the Agreements and continues to pay the same when due, it will not be precluded from bringing any action it may otherwise have against the Authority; provided, however, that each applicable BOCES will not as a result of such BOCES' failure to pay any Administrative Expenses or Annual Administrative Fee be precluded from bringing any such action if the amount thereof is disputed or is being contested by such BOCES in good faith.

Each Agreement is a general obligation of the applicable BOCES and any successor thereto. Any payment required to be made by each applicable BOCES to the Authority pursuant thereto will be deemed an administrative expense within the meaning of section nineteen hundred fifty of the Education Law of the State.

(Section 4.04)

Pledge by a BOCES

Each BOCES assigns and pledges to the Authority a sufficient portion of any and all public funds to be apportioned or otherwise to be made payable by the State to each applicable BOCES, to cover the payments required under the Agreement and directs and acknowledges that such amounts will be paid directly to the Applicable Trustee as provided in the Act and Section 3609-d of the Education Law of the State. Such assignment and pledge will be irrevocable and will continue until the date on which the liabilities of the Authority and the Project have been discharged and the Series 2015 Bonds of the Authority have been paid or such Bonds have otherwise been discharged.

Each BOCES agrees that the pledges and assignments made under the Lease Agreement from any State funds payable to each applicable BOCES and received by the Trustee will be applied to any payments to be made by any BOCES with regard to the Series 2015 Bonds required pursuant to the Lease Agreement.

(Section 4.05)

Operation, Maintenance and Repair

During the Lease Term, each applicable BOCES will be responsible for, and pay all costs of, operating the Leased Property, maintaining the same in condition suitable and sufficient for the use for which they are intended, and making all necessary repairs and replacements, interior and exterior, structural and nonstructural.

Each BOCES is responsible for the over-all supervision of the Leased Property, for the overhead and general administrative costs of each applicable BOCES which are incurred because of the Leased Property and for the integration of the operation of the Leased Property into each applicable BOCES educational program.

(Section 5.01)

Utilities, Taxes and Governmental Charges

Each BOCES will pay or cause to be paid all charges for water, electricity, light, heat or power, sewage, telephone and other utility service, rendered or supplied upon or in connection with the Leased Property during the Lease Term.

In addition, each BOCES will (i) pay, or make provision for payment of, all lawful taxes and assessments (other than those which are the basis of a Permitted Encumbrance), including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by any federal, state or any municipal government upon the Authority or each applicable BOCES with respect to or upon the Leased Property or any part thereof or upon any payments under the Agreements when the same will become due; (ii) not create or suffer to be created any lien or charge upon the Leased Property or any part thereof, except Permitted Encumbrances, or upon the payments in respect thereof pursuant hereto; and (iii) pay or cause to be discharged or make adequate provision to satisfy and discharge, within sixty (60) days after the same will come into force, any lien or charge upon the Leased Property or any part thereof, except Permitted Encumbrances, or upon any payments under the Agreements and all lawful claims or demands for labor, materials, supplies or other charges which, if unpaid, might be or become a lien upon any payments under the Agreements.

The Authority will cooperate fully with each applicable BOCES in the payment of taxes or assessments and in the handling and conduct of any prospective or pending litigation with respect to the levying of taxes or assessments on the Leased Property and will, to the extent it may lawfully do so, permit each applicable BOCES to litigate in any such proceeding in the name and behalf of the Authority.

(Section 5.02)

Additions, Enlargements and Improvements

Each BOCES will have the right at any time and from time to time during the Lease Term, at its own cost and expense, to make such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, a Project, as each applicable BOCES will deem necessary or desirable in connection with the use thereof; provided, however, that no addition to or enlargement, improvement, expansion, repair, reconstruction or restoration of, a Project which requires structural change of the Project, or which modifies or changes any aspect or feature thereof designed or intended to protect the life or provide for the safety of the occupants of the Project, will be made by each applicable BOCES without the prior written consent of an Authorized Officer of the State Education Department. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations will be promptly paid or discharged so that the Project will at all times be free of liens for labor and materials supplied thereto other than Permitted Encumbrances. All additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, a Project on the Leased Property will be and become a part of the Project and the property leased to the Authority under the Agreements.

(Section 5.03)

Insurance

Each BOCES will, in accordance with the requirements of the Agreements, procure and maintain, or cause to be procured and maintained, to the extent reasonably obtainable, from responsible insurers, insurance of the type and in the amounts customarily maintained by educational institutions providing services similar to those provided by each applicable BOCES. All policies of insurance required by the Agreements will be primary to any insurance maintained by the Authority. In the event any BOCES fails to provide the insurance required by the Agreements, the Authority may elect at any time thereafter to procure and maintain the insurance required therein at the expense of such BOCES.

(Section 5.05)

Damage or Destruction

Each BOCES agrees to notify the Authority and the Trustee immediately in the case of damage to or destruction of the Leased Property or any portion thereof in an amount exceeding \$100,000 resulting from fire or other casualty. The Authority agrees that the net proceeds of any insurance relating to such damage or destruction, not exceeding \$100,000, may be paid directly to each applicable BOCES.

In the event the Leased Property or any portion thereof is damaged or destroyed by fire or other casualty and the damage or destruction is estimated to exceed \$100,000, the net proceeds of any insurance will be initially paid directly to the Authority for deposit and application as provided in the Applicable Agreement. Each BOCES will within one hundred eighty (180) days after such damage or destruction determine whether or not to repair, reconstruct, restore or improve the Leased Property and give written notice of such determination to the Authority. If a particular BOCES elects to repair, reconstruct, restore or improve the Leased Property it will proceed forthwith to repair, reconstruct, restore or improve the Leased Property to substantially the same condition as it existed prior to the event causing such damage or destruction. So long as such BOCES is not in default under the Agreements as summarized herein under the heading "Events of Default and Remedies" hereof, any net proceeds of insurance relating to such damage or destruction received by the Authority will be deposited to the credit of the Construction Fund and applied to payment of the costs of such repairs, reconstruction, restoration or improvement in the same manner and upon the same conditions as set forth in the Master Resolution for the payment of the Costs of the Project from the Construction Fund.

It is further understood and agreed that in the event any BOCES will elect to repair, reconstruct, restore or improve the Leased Property, such BOCES will complete the repairs, reconstruction, restoration or improvement of the Leased Property.

In the event any BOCES elects not to repair, reconstruct, restore or improve the Leased Property, the net proceeds of any insurance will be paid to the Authority, as a prepayment of the Rentals under the Applicable Agreement, for deposit to the Debt Service Fund and application to the redemption of Outstanding Series 2015 Bonds or for payment to the Trustee, to be held by the Trustee, in trust, pursuant to the Master Resolution as summarized in Appendix E under the heading “Defeasance” for the payment of Outstanding Series 2015 Bonds in accordance with the written instructions of an Authorized Officer of the Authority.

(Section 5.06)

Condemnation

An Agreement and the interest of any BOCES will terminate as to a Project or portion thereof on Leased Property and the Leased Property appertaining thereto condemned or taken by eminent domain when title thereto vests in the party condemning or taking the same (hereinafter referred to as the “termination date”). Each applicable BOCES irrevocably assigns to the Authority all right, title and interest of such BOCES in and to any net proceeds of any award, compensation or damages (hereinafter referred to as an “award”), payable in connection with any such condemnation or taking during the Lease Term. Such net proceeds will be initially paid to the Authority for deposit and application as hereinafter provided.

In the event of any such condemnation or taking, each applicable BOCES will within ninety (90) days after the termination date therefor determine whether or not to repair, reconstruct, restore or improve such Project and give written notice of such determination to the Authority. If any such BOCES elects to repair, reconstruct, restore or improve such Project, so long as such BOCES is not in default under the Agreements as summarized under the heading “Events of Default and Remedies” herein, any such net proceeds received by the Authority will be deposited to the credit of the Construction Fund and be applied to finance the costs of such repairs, reconstruction, restoration or improvements in the same manner and upon the same conditions set forth in the Master Resolution for the payment of the Costs of the Project from the Construction Fund.

In the event any BOCES elects not to repair, reconstruct, restore or improve such Project, the award will be paid to the Authority, as a prepayment of the Rentals under the Applicable Agreement, for deposit to the Debt Service Fund and application to the redemption of Outstanding Series 2015 Bonds or for payment to the Trustee, to be held by the Trustee, in trust, pursuant to the Master Resolution as summarized in Appendix D under the heading “Defeasance” for the payment of Outstanding Bonds in accordance with the written instructions of an Authorized Officer of the Authority.

The Authority will cooperate fully with each applicable BOCES in the handling and conduct of any prospective or pending condemnation proceedings with respect to a Project on Leased Property or any part thereof and will, to the extent it may lawfully do so, permit each applicable BOCES to litigate in any such proceeding in the name and behalf of the Authority. In no event will the Authority voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceedings with respect to a Project on Leased Property or any part thereof without the written consent of such BOCES.

(Section 5.07)

Assignment by BOCES

Any applicable BOCES will not sell, sublease or otherwise dispose of or encumber its interest in a Project except as provided herein under the heading “Sale; Subletting.” The Agreements may not be assigned in whole or in part by such BOCES.

(Section 7.04)

Use of Project

Each BOCES agrees that the Project will be occupied or used only by or for students, members of the faculty, staff and personnel, officers and employees of each applicable BOCES, and the district superintendent of schools, in each case in connection with their respective duties, functions and responsibilities relating to the operation of the Project, or, on a temporary basis, by or for individuals connected with educational activities; provided, however, that any occupancy or use of the Project which is from time to time Authorized or permitted by the provisions of the Education Law of the State relating to boards of cooperative educational services will be deemed to be authorized or permitted by this section.

(Section 7.05)

Restrictions on Religious Use

Each BOCES agrees that with respect to any Project or portion thereof, so long as such Project or portion thereof exists and unless and until such Project or portion thereof is sold for the fair market value thereof, such Project or any portion thereof will not be used for sectarian religious instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; provided, however, that the foregoing restriction will not prohibit the free exercise of any religion and will not restrict or inhibit compliance with the Equal Access Act, 20 U.S.C. Sections 4071-4074; and, further provided, however, that if at any time hereafter, in the opinion of Bond Counsel, the then applicable law would permit the Project or a portion thereof to be used without regard to the above stated restriction, said restriction will not apply to such Project and each portion thereof. The Authority and its agents may conduct such inspections as the Authority deems necessary to determine whether the Project or any portion of real property thereof financed by Bonds is being used for any proscribed purpose. Each BOCES further agrees that prior to any disposition of any portion of the Project for less than fair market value, it will execute and record in the appropriate real property records an instrument subjecting, to the satisfaction of the Authority, the use of such portion of such Project to the restriction that (i) so long as such portion of such Project (and, if included in such Project, the real property on or in which such portion of such Project is situated) will exist and (ii) until such portion of such Project is sold or otherwise transferred to a person who purchases the same for the fair market value thereof at the time of such sale or transfer, such portion of such Project will not be used for sectarian religious instruction or as a place of religious worship or used in connection with any part of the program of a school or department of divinity of any religious denomination. The instrument containing such restriction will further provide that such restriction may be enforced at the instance of the Authority or the Attorney General of the State, by a proceeding in any court of competent jurisdiction, by injunction, mandamus or by other appropriate remedy. The instrument containing such restriction will also provide that if at any time thereafter, in the opinion of Bond Counsel, the then applicable law would permit such portion of such Project, or, if included in such Project, the real property on or in which such portion is situated, to be used without regard to the above stated restriction, then said restriction will be without any force or effect. For the purposes of this paragraph an involuntary transfer or disposition of the Project or a portion thereof, upon foreclosure or otherwise, will be considered a sale for the fair market value thereof.

(Section 7.06)

Sale; Subletting

No Leased Property will be sold by any BOCES, or any other person or entity succeeding to any of their respective interests without the prior written consent of the Authority, accompanied by an opinion of Bond Counsel to the effect that such sale would not adversely affect the exclusion of the interest on any of the Bonds from gross income for federal income tax purposes.

No Leased Property will be sublet by any BOCES, or any other person or entity succeeding to any of their respective interests without the prior written consent of the Authority, accompanied by an opinion of Bond Counsel to the effect that such sublease would not adversely affect the exclusion of the interest on any of the Bonds from gross income for federal income tax purposes.

The sale or subletting of Leased Property will not reduce the Rentals payable under the Applicable Agreement and will not otherwise affect the obligations of each applicable BOCES thereunder.

(Section 7.07)

Covenant not to Affect the Tax Exempt Status of the Bonds

Each BOCES, so long as it leases a Project and Leased Property under the Agreements, (i) will take no action, or permit any action to be taken, or omit to take any action, with respect to the Project or any Project which will adversely affect the exclusion of interest on any Series 2015 Bonds from gross income for purposes of federal income taxation; (ii) will not invest or otherwise use “gross proceeds” of the Series 2015 Bonds in a manner which would cause any Series 2015 Bond (other than a Series 2015 Bond designated as federally taxable) to be an “arbitrage bond” within the meaning of Section 148 of the Code, and any proposed or final regulations thereunder as are applicable to any Series 2015 Bond; and (iii) will not, nor will any “related person,” as defined in Section 147(a)(2) of the Code, pursuant to an arrangement, formal or informal, purchase Series 2015 Bonds (other than Series 2015 Bonds designated as federally taxable) in an amount related to the amount of any obligation to be acquired by the Authority from such BOCES.

(Section 7.09)

Events of Default and Remedies

An “event of default” or a “default” will mean, whenever they are used in the Agreements, any one or more of the following events:

(a) Failure by any BOCES to pay or cause to be paid when due the Rentals to be paid under the Agreements which failure continues for a period of seven (7) days after payment thereof was due;

(b) Failure by any BOCES to pay or to cause to be paid when due any other payment required to be made under the Agreements which failure continues for a period of thirty (30) days after payment thereof was due, provided that written notice thereof will have been given to such BOCES not less than thirty (30) days prior to the due date thereof;

(c) Failure by any BOCES to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraphs (a) and (b) of this section, which failure will continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to such BOCES by the Authority or such longer period, as is required to cure such default, if by reason of the nature of such failure the same cannot be remedied within such thirty (30) day period and each BOCES has within such thirty (30) day period commenced to take appropriate actions to remedy such failure and is diligently pursuing such actions;

(d) Any representation or warranty of each applicable BOCES contained in the Agreements will have been at the time it was made untrue in any material respect; or

(e) Any BOCES will generally not pay its debts as such debts become due, or will admit in writing its inability to pay its debts generally, or will make a general assignment for the benefit of creditors; or any proceeding will be instituted by or against such BOCES seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it for any substantial part of its property; or such BOCES will authorize any of the actions set forth above in this subparagraph (e).

(Section 8.01)

Whenever any event of default referred to above will have happened and be continuing, the Authority may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of such BOCES under the Agreements.

(Section 8.02)

Amendments, Changes and Modifications

The Agreements may be amended, changed or modified in any respect provided that each amendment, change or modification is in writing signed by an Authorized Officer of the Authority and of each applicable BOCES; provided, however, that no amendment, change or modification will take effect unless and until (i) if the consent of Holders of Outstanding Series 2015 Bonds is required by the Master Resolution as summarized in

Appendix E under the heading “Amendment, Change, Modification or Waiver of Agreements,” there will have been filed with the Trustee the written consents of the Holders of the percentages of Outstanding Series 2015 Bonds specified under such heading of the Master Resolution, (ii) if the consent of the Trustee is required by such section, the Trustee will have consented thereto and (iii) an executed copy of such amendment, change or modification, certified by an Authorized Officer of the Authority, will have been filed with the Trustee.

(Section 9.04)

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**SUMMARY OF CERTAIN PROVISIONS
OF THE MASTER RESOLUTION**

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SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION

The following is a brief summary of certain provisions of the Master Resolution. Such summary does not purport to be complete and reference is made to the Master Resolution for full and complete statements of such and all provisions. Defined terms used in the Master Resolution will have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

Master Resolution, Series Resolution and Bonds Constitutes Separate Contracts

With respect to each Applicable Series of Bonds, in consideration of the purchase and acceptance of any and all of the Bonds of an Applicable Series authorized to be issued under the Master Resolution and under the Applicable Series Resolution by those who will hold or own the same from time to time, the Master Resolution and the Applicable Series Resolution will be deemed to be and will constitute a contract among the Authority, the Trustee and the Holders from time to time of such Bonds, and the pledge and assignment made in the Master Resolution and the covenants and agreements set forth to be performed by or on behalf of the Authority will be for the equal and ratable benefit, protection and security of the Holders of any and all of such Bonds of an Applicable Series, all of which, regardless of the time or times of their issue or maturity, will be of equal rank without preference, priority or distinction of any such Bonds of such Series over any other Bonds except as expressly provided in the Master Resolution or permitted by the Master Resolution or by the Applicable Series Resolution.

(Section 1.03)

Authorization of the Series 2015 Bonds

The Bonds will be issued pursuant to the Master Resolution, the Series 2015 Resolution, and the Act. In addition to the Series 2015 Bonds, the Master Resolution authorizes the issuance of other Series of Bonds for such other purposes as are authorized by the Master Resolution.

The Bonds of the Authority will not be a debt of the State, nor will the State be liable thereon, nor will the Bonds be payable out of any funds other than those of the Authority pledged by the Master Resolution to the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds.

(Section 2.01)

Additional Bonds and Other Obligations

The Authority reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate resolutions or agreements of the Authority, so long as such bonds, notes or other obligations are not, or such other indebtedness is not, except as provided in the Master Resolution or Applicable Series Resolution, entitled to a charge or lien or right prior or equal to the charge or lien created by the Master Resolution, or prior or equal to the rights of the Authority and Holders of Bonds provided by the Master Resolution or with respect to the moneys pledged under thereunder or pursuant to an Applicable Series Resolution.

(Section 2.05)

Authorization of Redemption

Bonds subject to redemption prior to maturity will be redeemable at such times, at such Redemption Prices and upon such terms as may be specified in the Master Resolution or in the Applicable Series Resolution authorizing their issuance or the Applicable Bond Series Certificate.

(Section 4.01)

Redemption at Election of the Authority

The Series, maturities, and principal amounts of the Bonds to be redeemed at the election or direction of the Authority will be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in the Master Resolution or in the Series Resolution authorizing such Series or the Applicable Bond Series Certificate. The notice of redemption required by the Master Resolution to be given will not be given with respect to Bonds to be redeemed pursuant to the Master Resolution unless prior to the date such notice is to be given the Authority will have obtained the written consent of each Facility Provider to which Provider Payments are then due and unpaid.

(Section 4.02)

Selection of Bonds to Be Redeemed

Unless otherwise provided in the Series Resolution authorizing the issuance of Bonds of a Series or the Bond Series Certificate relating to such Bonds, in the event of redemption of less than all of the Outstanding Bonds of like Series, maturity and tenor, the Trustee will assign to each Outstanding Bond of the Series, maturity and tenor to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which the Bonds of such Series are authorized to be issued and will select by lot, using such method of selection as it will deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at such unit amount equal to the lowest denomination in which the Bonds of such Series are authorized to be issued for each number, will equal the principal amount of such Bonds to be redeemed. In making such selections the Trustee may draw the Bonds by lot (i) individually or (ii) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued, by the numbers assigned thereto as provided in the Master Resolution) which end in the same digit or in the same two digits. In case, upon any drawing by groups, the total principal amount of Bonds drawn will exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of Bonds and select part of any Bond for redemption. The Bonds to be redeemed will be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued will be redeemed as will equal the lowest denomination in which the Bonds of such Series are authorized to be issued for each number assigned to it and so selected.

(Section 4.04)

Notice of Redemption

Whenever Bonds are to be redeemed, the Trustee will give notice of the redemption of the Bonds in the name of the Authority. Such notice, unless the Bonds are book entry Bonds, will be given by mailing a copy of such notice not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. Such notice will be sent by first class mail, postage prepaid, to the registered owners of the Bonds which are to be redeemed, at their last known addresses, if any, appearing on the registration books not more than ten (10) Business Days prior to the date such notice is given. Upon giving such notice, the Trustee will promptly certify to the Authority that it has mailed or caused to be mailed such notice to the registered owners of the Bonds to be redeemed in the manner provided in the Master Resolution. Such certificate will be conclusive evidence that such notice was given in the manner required by the Master Resolution. The failure of any Holder of a Bond to be redeemed to receive such notice will not affect the validity of the proceedings for the redemption of the Bonds. If the Bonds to be redeemed are book entry Bonds, the Trustee will mail a copy of the notice to the Depository not less than thirty-five (35) days prior to the redemption, but if notice of redemption is to be published as aforesaid, in no event later than five (5) Business Days prior to the date of publication.

Any notice of redemption, unless moneys will be received by the Trustee prior to giving such notice sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed, may state that such redemption will be conditional upon the receipt of such moneys by the Trustee by 1:00 P.M. (New York time) on the date fixed for redemption. If such moneys are not so received said notice will be of no force and effect, the Authority will not redeem such Bonds and

the Trustee will give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

(Section 4.05)

Payment of Redeemed Bonds

If, on the redemption date, moneys for the redemption of all Bonds or portions thereof of any like Series, maturity and tenor to be redeemed, together with interest accrued and unpaid thereon to the redemption date, will be held by the Trustee and Paying Agents so as to be available therefor on such date and if notice of redemption will have been mailed as stated in the Master Resolution, then, from and after the redemption date, interest on the Bonds or portions thereof so called for redemption will cease to accrue and such Bonds will no longer be considered to be Outstanding under the Master Resolution. If such moneys will not be so available on the redemption date, such Bonds or portions thereof will continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(Section 4.06)

Pledge of Revenues

The proceeds from the sale of the Bonds, the Applicable Revenues, the Authority's security interest in the Applicable Pledged Revenues, and all funds authorized by the Master Resolution and established pursuant to an Applicable Series Resolution, other than the Applicable Arbitrage Rebate Fund, are pledged and assigned to the Trustee as security for the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds and as security for the performance of any other obligation of the Authority under the Master Resolution and under any Series Resolution, all in accordance with the provisions of the Master Resolution and any Series Resolution. The pledge of the Revenues subject to the adoption of an Applicable Series Resolution will relate only to the Bonds of an Applicable Series authorized by such Series Resolution and no other Series of Bonds and such pledge will not secure any such other Series of Bonds. The pledge is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Bonds, the Revenues, the Authority's security interest in the Applicable Pledged Revenues and the funds and accounts established by the Master Resolution and by any Series Resolution will immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge will be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds will be special obligations of the Authority payable solely from and secured by a pledge of the proceeds from the sale of the Bonds, the Revenues, the Authority's interest in the Applicable Pledged Revenues and the funds established by the Master Resolution and pursuant to the Applicable Series Resolution, which are pledged, such pledge will constitute a first lien thereon, subject only, with respect to such Applicable Pledged Revenues, to the Applicable Prior Pledges.

(Section 5.01)

Establishment of Funds

Unless otherwise provided by the Applicable Series Resolution, the following funds are authorized to be established, held, and maintained for each Applicable Series by the Trustee under the Applicable Series Resolution separate from any other funds established and maintained pursuant to any other Series Resolution:

- Construction Fund;
- Debt Service Fund;
- Debt Service Reserve Fund;
- Building and Equipment Reserve Fund; and
- Arbitrage Rebate Fund

Accounts and sub-accounts within each of the foregoing funds may from time to time be established in accordance with an Applicable Series Resolution, an Applicable Bond Series Certificate or upon the direction of the Authority. All moneys at

any time deposited in any fund created by the Master Resolution, other than the Applicable Arbitrage Rebate Fund, will be held in trust for the benefit of the Holders of the Applicable Series of Bonds, but will nevertheless be disbursed, allocated and applied solely in connection with Applicable Series of Bonds for the uses and purposes provided in the Master Resolution.

(Section 5.02)

Application of Moneys in the Construction Fund

As soon as practicable after the delivery of each Series of Bonds, there will be deposited in the Applicable Construction Fund the amount required to be deposited therein pursuant to the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series. In addition, the Authority will deposit in the Applicable Construction Fund any moneys paid to the Authority for the acquisition, construction, reconstruction, rehabilitation, or improvement of any Project, including without limitation, the equity contribution, if any, provided by a BOCES. Except as otherwise provided in the Master Resolution, any Applicable Series Resolution or Bond Series Certificate, moneys deposited in the Construction Fund will be used only to pay the Costs of Issuance of the Bonds and the Costs of the Applicable Project.

An Applicable Project will be deemed to be complete (a) upon delivery to the Authority and the Trustee of a certificate signed by an Authorized Officer of each applicable BOCES which certificate will be delivered as soon as practicable after the date of completion of such Project or (b) upon delivery to each applicable BOCES and the Trustee of a certificate of the Authority which certificate may be delivered at any time after completion of such Project. Each such certificate will state that such Project has been completed substantially in accordance with the Plans and Specifications, if any, applicable to such Project and that such Project is ready for occupancy, and, in the case of a certificate of an Authorized Officer of such BOCES, will specify the date of completion.

Upon receipt by the Trustee of the certificate required pursuant to the Master Resolution, the moneys, if any, then remaining in the Applicable Construction Fund, after making provision in accordance with the direction of the Authority for the payment of any Costs of Issuance of an Applicable Series of Bonds and Costs of an Applicable Project then unpaid, will be paid by the Trustee as follows and in the following order of priority:

First: To the Applicable Arbitrage Rebate Fund, the amount determined by the Authority to be required to be deposited therein;

Second: To the Applicable Debt Service Reserve Fund, such amount as will be necessary to make the amount on deposit in such fund equal to the Applicable Debt Service Reserve Fund Requirement; and

Third: To the Applicable Debt Service Fund, to be applied in accordance with the Master Resolution as summarized below under the heading "Debt Service Fund", any balance remaining.

Following the occurrence and during the continuation of an Event of Default under an Applicable Agreement, the Authority may, in its sole discretion, transfer moneys in the Applicable Construction Fund to the Trustee for application pursuant to the provisions of the Master Resolution as summarized below under the heading "Debt Service Fund".

(Section 5.04)

Deposit of Revenues and Allocation Thereof

The Applicable Revenues and any other moneys which, by any of the provisions of the Applicable Agreement, are required to be deposited in the Applicable Debt Service Fund, will upon receipt by the Trustee be deposited to the credit of the appropriate account in the Applicable Debt Service Fund. To the extent not required to pay, (a) the interest becoming due on Outstanding Bonds of the Applicable Series on the next succeeding interest payment date or dates of such Bonds to and including August 15; (b) the amount necessary to pay the principal and Sinking Fund Installments becoming due on the Applicable Series of Outstanding Bonds on such August 15; and (c) moneys which are required or have been set aside for the redemption of Bonds of the Applicable Series, moneys in the Applicable Debt Service Fund will be paid by the Trustee on or before the business day preceding each interest payment date as follows and in the following order of priority:

First: To reimburse, pro rata, each Facility Provider which has issued a Reserve Fund Facility which constitutes any part of the Applicable Debt Service Reserve Fund for moneys advanced thereunder, including interest thereon, in proportion to the respective amounts advanced by each such Facility Provider;

Second: To the Applicable Debt Service Reserve Fund, the amount, if any, necessary to make the amount on deposit therein equal to the Applicable Debt Service Reserve Fund Requirement; and

Third: To the Authority, unless otherwise paid, such amounts as are payable to the Authority relating to such Series for: (i) any expenditures of the Authority for fees and expenses of auditing, and fees and expenses of the Applicable Trustee and Paying Agents, all as required hereby, (ii) all other expenditures reasonably and necessarily incurred by the Authority in connection with the financing of the Applicable Project, including expenses incurred by the Authority to compel full and punctual performance of all the provisions of the Applicable Agreement or the Applicable BOCES Lease in accordance with the terms thereof, and (iii) any fees of the Authority; but only upon receipt by the Trustee of a certificate of the Authority, stating in reasonable detail the amounts payable to the Authority pursuant to this paragraph Third.

(Section 5.05)

Debt Service Fund

The Trustee will on or before the Business Day preceding each interest payment date pay to itself and any other Paying Agent out of the Applicable Debt Service Fund:

(a) the interest due and payable on all Outstanding Bonds of the Applicable Series on such interest payment date;

(b) the principal amount due and payable on all Outstanding Bonds of the Applicable Series on such interest payment date; and

(c) the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on all Outstanding Bonds of the Applicable Series on such interest payment date.

The amounts paid out pursuant to (a), (b) and (c) above will be irrevocably pledged to and applied to such payments.

Notwithstanding the above, the Authority may, at any time subsequent to the first day of any Bond Year but in no event less than forty five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with moneys on deposit in the Applicable Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds to be redeemed from such Sinking Fund Installment.

In the event that on the fourth Business Day preceding any interest payment date there are insufficient amounts in the Applicable Debt Service Fund, the Trustee is required to withdraw from the Debt Service Reserve Fund and deposit to the Applicable Debt Service Fund such amount as will increase the amount therein to an amount sufficient to make the required payments from such fund.

Moneys in the Applicable Debt Service Fund in excess of the amount required to pay the principal and Sinking Fund Installments of Outstanding Bonds of the Applicable Series payable during the next succeeding Bond Year, the interest on Outstanding Bonds of the Applicable Series payable on and prior to the earlier of the next succeeding February 15 or August 15, and the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption, plus accrued interest thereon to the date of purchase or redemption, will be paid or applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority (i) to the purchase of Outstanding Bonds of the Applicable Series at purchase prices not exceeding the Redemption Price applicable on the next interest payment date on which such Bonds are redeemable, plus accrued and unpaid interest to such date, at such times, at such purchase prices and in such manner as an Authorized Officer of the Authority will direct or (ii) to the redemption of Bonds of the Applicable Series as provided in the Master Resolution, at the Redemption Prices specified in the Applicable Series Resolution or Applicable Bond Series Certificate.

(Section 5.07)

Debt Service Reserve Fund

The Trustee will deposit to the credit of the Applicable Debt Service Reserve Fund such proceeds of the sale of Bonds, if any, as will be prescribed in the Applicable Series Resolution authorizing the issuance of such Series of Bonds or the Applicable Bond Series Certificate relating to such Series. Moneys held for the credit of the Debt Service Reserve Fund are required to be withdrawn by the Trustee and deposited to the credit of the Debt Service Fund at the times and in the amounts required to comply with the provisions of the Master Resolution.

In lieu of or in substitution for moneys, the Authority may deposit or cause to be deposited with the Trustee a Reserve Fund Facility for the benefit of the Holders of an Applicable Series of the Bonds for all or any part of the Applicable Debt Service Reserve Requirement; provided, however, (i) that any such surety bond or insurance policy shall be issued by an insurance company or association duly authorized to do business in the State and either (A) the claims paying ability of such insurance company or association is rated in the highest rating category accorded by a nationally recognized insurance rating agency or (B) obligations insured by a surety bond or an insurance policy issued by such company or association are rated at the time such surety bond or insurance policy is delivered, without regard to qualification of such rating by symbols such as “+” or “-” or numerical notation, in the highest rating category by a Rating Agency and (ii) that any such letter of credit shall be issued by a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provision of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provision of law, or a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, the unsecured or uncollateralized long term debt obligations of which, or long term obligations secured or supported by a letter of credit issued by such person, are rated at the time such letter of credit is delivered, without regard to qualification of such rating by symbols such as “+” or “-” or numerical notation, in at least the second highest rating category by a Rating Agency.

For any Series of Bonds issued on or after March 11, 2015, in lieu of or in substitution for moneys, the Authority may deposit or cause to be deposited with the Trustee a Reserve Fund Facility for the benefit of the Holders of an Applicable Series of the Bonds for all or any part of the Applicable Debt Service Reserve Requirement; provided, however, (i) that any such surety bond or insurance policy shall be issued by an insurance company or association duly authorized to do business in the State and either (A) the claims paying ability of such insurance company or association is rated in not less than the second highest rating category accorded by a nationally recognized insurance rating agency or (B) obligations insured by a surety bond or an insurance policy issued by such company or association are rated at the time such surety bond or insurance policy is delivered, without regard to qualification of such rating by symbols such as “+” or “-” or numerical notation, in not less than the second highest rating category by a Rating Agency and (ii) that any such letter of credit shall be issued by a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provision of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provision of law, or a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, the unsecured or uncollateralized long term debt obligations of which, or long term obligations secured or supported by a letter of credit issued by such person, are rated at the time such letter of credit is delivered, without regard to qualification of such rating by symbols such as “+” or “-” or numerical notation, in at least the second highest rating category by a Rating Agency.

In addition to the conditions and requirements set forth above, no Reserve Fund Facility shall be deposited in full or partial satisfaction of the Applicable Debt Service Reserve Fund Requirement unless the Trustee and each Applicable Facility Provider of an Applicable Reserve Fund Facility shall have received prior to such deposit (i) an opinion of counsel acceptable to the Trustee and to each such Facility Provider of a Reserve Fund Facility to the effect that such Reserve Fund Facility has been duly authorized, executed and delivered by the Facility Provider thereof and is valid, binding and enforceable in accordance with its terms, (ii) in the event such Facility Provider is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to the Trustee and to each Facility Provider and (iii) in the event such Reserve Fund Facility is a letter of credit, an opinion of counsel acceptable to the Trustee and to each Facility Provider of a Reserve Fund Facility substantially to the effect that payments under such letter of credit will not constitute avoidable preferences under Section 547 of the United States Bankruptcy Code in a case commenced by or against the Authority or the BOCES thereunder or under any applicable provisions of the Debtor and Creditor Law of the State.

Notwithstanding the foregoing, if at any time after a Reserve Fund Facility has been deposited with the Trustee the ratings on any Outstanding Bonds of the Applicable Series are less than (without regard to qualification of such rating by symbols such as “+” or “-”) the second highest rating category by a Rating Agency and the unsecured or uncollateralized long term debt of the Facility Provider or the long term debt obligations secured or supported by a surety bond, insurance policy or letter of credit of a Facility Provider is reduced below (without regard to qualification of such rating by symbols such as “+” or “-”) A by a Rating Agency, the Authority shall either (i) replace or cause to be replaced said Reserve Fund Facility with another Reserve Fund Facility which satisfies the requirements of the two preceding paragraphs or (ii) deposit or cause to be deposited in the Applicable Debt Service Reserve Fund an amount of moneys equal to the value of the Reserve Fund Facility of such Facility Provider, such deposits to be, as nearly as practicable, in five equal annual installments commencing on September 1.

Each such surety bond, insurance policy or letter of credit shall be payable (upon the giving of such notice as may be required thereby) on any date on which moneys are required to be withdrawn from the Applicable Debt Service Reserve Fund and such withdrawal cannot be made without obtaining payment under such Reserve Fund Facility.

For the purposes of the Master Resolution, in computing the amount on deposit in the Applicable Debt Service Reserve Fund, a Reserve Fund Facility shall be valued at the amount available to be paid thereunder on the date of computation; provided, however, that, if the unsecured or uncollateralized long term debt of the Facility Provider thereof, or the long term debt obligations secured or supported by a surety bond, insurance policy or letter of credit of said Facility Provider has been reduced below the ratings required by the Master Resolution, said Reserve Fund Facility shall be valued at the lesser of (i) the amount available to be paid thereunder on the date of calculation and (ii) the difference between the amount available to be paid thereunder on the date of issue thereof and an amount equal to a fraction of such available amount the numerator of which is the aggregate number of September 1’s which have elapsed since such ratings were reduced and the denominator of which is ten.

The income or interest earned on investments in the Debt Service Reserve Fund will be withdrawn by the Trustee, as received, and deposited in the Applicable Arbitrage Rebate Fund, the Applicable Debt Service Fund, or the Applicable Construction Fund in accordance with such direction. If the value of the moneys and investments held for the credit of the Applicable Debt Service Reserve Fund exceeds the Applicable Debt Service Reserve Fund Requirement, such excess will, upon direction of an Authorized Officer of the Authority, be deposited in the Applicable Arbitrage Rebate Fund, the Debt Service Fund or the Applicable Construction Fund in accordance with such direction; provided, however, that if such amount results from the substitution of a Reserve Fund Facility for moneys or investments in the Applicable Debt Service Reserve Fund, such amount will not be deposited in the Applicable Debt Service Fund or the Applicable Construction Fund unless in the opinion of Co-Bond Counsel such application will not adversely affect the exclusion of interest on any of the Applicable Bonds from gross income for federal income tax purposes.

Notwithstanding the provisions above, if, upon a Bond having been deemed to have been paid in accordance with the section of the Master Resolution described below under the heading “Defeasance,” the moneys and investments held for the credit of the Applicable Debt Service Reserve Fund will exceed the Applicable Debt Service Reserve Fund Requirement, then the Trustee will withdraw all or any portion of such excess from the Applicable Debt Service Reserve Fund and either (i) apply such amount to the payment of the principal or Redemption Price of and interest on such Bond in accordance with the irrevocable instructions of the Authority or to fund any reserve for the payment of the principal and Sinking Fund Installments of or interest on the bonds, notes or other obligations, if any, issued to provide for the payment of such Bond or (ii) pay such amount to the Authority for deposit to the Applicable Construction Fund if, in the opinion of Co-Bond Counsel, application of such moneys to make the payment of Costs of the Project will not adversely affect the exclusion of interest on any Bonds from gross income for federal income tax purposes; provided, however, that after such withdrawal the amount remaining in the Applicable Debt Service Reserve Fund will not be less than the Applicable Debt Service Reserve Fund Requirement.

If the value of the moneys and investments held for the credit of the Applicable Debt Service Reserve Fund is less than the Applicable Debt Service Reserve Fund Requirement, the Trustee will immediately notify the Authority, the Applicable BOCES, and each Facility Provider, if any, of such deficiency. The amount of such deficiency will be included in the Basic Rent payable during the next succeeding Bond Year.

(Section 5.08)

Arbitrage Rebate Fund

The Trustee will deposit to the Applicable Arbitrage Rebate Fund any moneys delivered to it by the Applicable BOCES for deposit therein and, notwithstanding any other provisions of the Master Resolution, will transfer to the Applicable Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of the Authority, moneys on deposit in any other funds held by the Trustee under the Master Resolution at such times and in such amounts as will be set forth in such directions.

Moneys on deposit in the Applicable Arbitrage Rebate Fund will be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Authority will determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America. Moneys which an Authorized Officer of the Authority determines to be in excess of the amount required to be so rebated will first, be applied to reimburse, pro rata, each Facility Provider for moneys advanced under an Applicable Reserve Fund Facility, including interest thereon, which is then unpaid, in proportion to the respective amounts advanced by each such Facility Provider; and then be deposited to any fund or account established under the Master Resolution in accordance with the written direction of such Authorized Officer.

If and to the extent required by the Code, the Authority will periodically, at such times as may be required to comply with the Code, determine the amount required by the Code to be rebated to the Department of the Treasury of the United States of America with respect to each Series of Bonds and (i) transfer or direct the Trustee to transfer from any other of the funds and accounts held under the Master Resolution and deposit to the Applicable Arbitrage Rebate Fund, such amount as the Authority will have determined to be necessary in order to enable it to comply with its obligation to rebate moneys to the Department of the Treasury of the United States of America with respect to each Applicable Series of Bonds and (ii) pay out of the Applicable Arbitrage Rebate Fund to the Department of the Treasury of the United States of America the amount, if any, required by the Code to be rebated thereto.

(Section 5.09)

Computation of Assets of Certain Funds

The Trustee, after the end of each calendar month, will compute the value of the assets in the Applicable Debt Service Reserve Fund on the last day of each such month, and notify the Authority, BOCES and each Applicable Facility Provider as to the results of such computation and the amount by which the value of the assets in the Applicable Debt Service Reserve Fund exceeds or is less than the Applicable Debt Service Reserve Fund Requirement.

(Section 5.12)

Security for Deposits

All moneys held under the Master Resolution by the Trustee will be continuously and fully secured, for the benefit of the Authority and the Holders of the Applicable Series of Bonds, by direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America of a market value equal at all times to the amount of the deposit so held by the Trustee; provided, however, (a) that if the securing of such moneys is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, and (b) that it will not be necessary for the Trustee or any Paying Agent to give security for the deposit of any moneys with them pursuant to the sections of the Master Resolution described above under the heading "Debt Service Fund" and below under the heading "Defeasance," and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on any Bonds, or for the Trustee to give security for any moneys which will be represented by obligations purchased or other investments made under the provisions of the Master Resolution as an investment of such moneys.

(Section 6.01)

Investment of Funds and Accounts

Moneys held under the Master Resolution, if permitted by law, will, as nearly as may be practicable, be invested in Government Obligations or Exempt Obligations; provided, however, that each such investment will permit the moneys so deposited or invested to be available for use at the times at which the Authority reasonably believes such moneys will be required for the purposes of the Master Resolution. Moneys held under the Master Resolution by the Trustee will be invested by the Trustee upon the direction of an Authorized Officer of the Authority, given or confirmed in writing, which direction will specify the amount to be invested.

In lieu of the investments of moneys in obligations authorized in the Master Resolution, the Trustee will, to the extent permitted by law, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority, invest moneys in the Applicable Debt Service Reserve Fund, and the Authority may, to the extent permitted by law, invest moneys in the Applicable Construction Fund, in (i) interest bearing time deposits, certificates of deposit or other similar investment arrangements including, but not limited to, written repurchase agreements relating to Government Obligations, with Qualified Financial Institutions; (ii) Exempt Obligations or (iii) Investment Agreements; provided, however, that (w) each such investment will permit the moneys so deposited or invested to be available for use at the times at, and in the amounts in, which the Authority reasonably believes such moneys will be required for the purposes of the Master Resolution, (x) all moneys in each such interest bearing time deposit, certificate of deposit or other similar investment arrangement will be continuously and fully secured by ownership of or a security interest in Government Obligations of a market value, determined by the Trustee or its agent not less frequently than monthly, equal to the amount deposited or invested including interest accrued thereon, (y) the obligations securing such interest bearing time deposit or certificate of deposit or which are the subject of such other similar investment arrangement will be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of the Authority, and (z) the Government Obligations securing such time deposit or certificate of deposit or which are the subject of such other similar investment arrangement will be free and clear of claims of any other person.

Obligations purchased or other investments made as an investment of moneys in any fund or account held under the provisions of the Master Resolution will be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof will be credited or charged, as the case may be, to such fund or account.

In computing the amount in any fund or account held by the Trustee under the provisions of the Master Resolution, obligations purchased as an investment of moneys therein or held therein will be valued at par or the market value thereof, plus accrued interest, whichever is lower, except that investments held in the Debt Service Reserve Fund will be valued at par or the cost thereof, including accrued interest, whichever is lower.

(Section 6.02)

Accounts and Audits

The Authority covenants to keep proper books of records and accounts (separate from all other records and accounts), which may be kept on behalf of the Authority by the Trustee, in which complete and correct entries will be made of its transactions relating to each Series of Bonds, which books and accounts, at reasonable hours and subject to the reasonable rules and regulations of the Authority, will be subject to the inspection of the Trustee, BOCES or of any Holder of a Bond or his representative duly authorized in writing. The Trustee will annually prepare a report which will be furnished to the Authority, each Facility Provider, each Credit Facility Issuer, and the Applicable BOCES. Such report will include at least: a statement of all funds (including investments thereof) held by such Trustee and the Authority pursuant to the provisions of the Master Resolution and of each Applicable Series Resolution; a statement of the Applicable Revenues collected in connection with the Master Resolution and with each Applicable Series Resolution; a statement that the balances in the Applicable Debt Service Reserve Fund meet the requirements of the Master Resolution and of the Applicable Series Resolution; and complete and correct entries of all transactions relating to an Applicable Series of Bonds. A copy of such report, will, upon receipt of a written request therefor, and payment of any reasonable fee or charge made in connection therewith, be furnished to the registered owner of a Bond of the Applicable Series or any beneficial owner of a Book Entry Bond of the Applicable Series requesting the same.

(Section 7.05)

Creation of Liens

Except as permitted under the Master Resolution, the Authority covenants not to create or cause to be created any lien or charge prior or equal to that of the Bonds of an Applicable Series on the proceeds from the sale of the Bonds, the Applicable Revenues or the funds and accounts established by the Master Resolution or by any Applicable Series Resolution which are pledged by the Master Resolution; provided, however, that nothing contained in the Master Resolution will prevent the Authority from issuing bonds, notes or other obligations under another and separate resolution so long as the charge or lien created by such resolution is not prior or equal to the charge or lien created by the Master Resolution.

(Section 7.06)

Enforcement of Obligations of BOCES

The Authority covenants to take all legally available action to cause a BOCES to perform fully its obligation to pay Basic Rent and other amounts which under the Applicable Agreement are to be paid to the Trustee, in the manner and at the times provided in the Applicable Agreement.

(Section 7.07)

Amendment, Change, Modification or Waiver of Agreement or BOCES Lease

Neither an Applicable Agreement nor an Applicable BOCES Lease may be amended, changed, modified, altered or terminated so as to materially adversely affect the interest of the Holders of the Outstanding Bonds of the Applicable Series without the prior written consent of the Holders of at least a majority in aggregate principal amount of such Bonds then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any Applicable Series remain Outstanding, the consent of the Holders of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds of the Applicable Series under the Master Resolution; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds of such Series the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made by BOCES under the Applicable Agreement that is to be deposited with the Trustee or extend the time of payment thereof. Except as otherwise provided in the Master Resolution, an Agreement or a BOCES Lease may be amended, changed, modified, or altered without the consent of the Holders of Outstanding Bonds of the Applicable Series or the Trustee. Specifically, and without limiting the generality of the foregoing, an Agreement or a BOCES Lease may be amended, changed, modified or altered without the consent of the Trustee and the Holders of Outstanding Bonds of such Series (i) to provide changes in connection with the acquisition, construction, reconstruction, rehabilitation, renovation and improvement or otherwise, the providing, furnishing and equipping of any facilities constituting a part of the Applicable Project or which may be added to such Project; (ii) to provide for the financing of additional Costs of the Project leased pursuant to such Applicable Agreement or the financing of Additional Projects for the Applicable BOCES through the issuance of an additional Series of Bonds (provided that such amendment provide for additional rent to be paid by the Applicable BOCES sufficient to pay such the debt service on such additional Series of Bonds and related costs and will further provide that the pledge of Pledged Revenues to secure such additional rent is subordinate to any pledge of Pledged Revenue previously made by such BOCES and that additional rent payable on a particular day may only be paid after the payment of the amounts to be paid by such BOCES on such date prior to such amendment); (iii) to provide for the issuance of Bonds of an Applicable Series; or (iv) to cure any ambiguity or correct or supplement any provisions contained in the Applicable Agreement or the Applicable BOCES Lease, as the case may be, which may be defective or inconsistent with any other provisions contained in the Master Resolution or in such Agreement or BOCES Lease.

An Applicable Series will be deemed to be adversely affected by an amendment, change, modification, or alteration of the Applicable Agreement or Applicable BOCES Lease if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of an Applicable Series would be adversely affected in any material respect by any amendment, change, modification or alteration, and any such determination will be binding and conclusive on the Authority and all Holders of such Bonds.

The purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the Authority, may consent to an amendment, change, modification, termination or waiver permitted by the Master Resolution with the same effect as a consent given by the Holder of such Bonds.

(Section 7.10)

Notice as to Agreement Default

The Authority covenants to notify the Trustee in writing that an “event of default” under the Applicable Agreement, as such term is defined in the Applicable Agreement, has occurred and is continuing, which notice is required to be given within five (5) days after the Authority has obtained actual knowledge thereof.

(Section 7.11)

Modification and Amendment without Consent of Holders

The Authority may adopt at any time or from time to time Supplemental Resolutions for any one or more of the following purposes, and any such Supplemental Resolution will become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority:

(a) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds of an Applicable Series, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Master Resolution;

(b) To prescribe further limitations and restrictions upon the issuance of Bonds of an Applicable Series and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(c) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Master Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Master Resolution;

(d) To confirm, as further assurance, any pledge under the Master Resolution or under the Applicable Series Resolution, and the subjection to any lien, claim or pledge created or to be created by the provisions of the Master Resolution, of the Applicable Revenues, or any pledge of any other moneys, investments thereof or funds;

(e) To modify any of the provisions of the Master Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respects, provided that such modifications will not be effective until after all Bonds of an Applicable Series of Bonds Outstanding as of the date of adoption of such Supplemental Resolution will cease to be Outstanding, and all Bonds of an Applicable Series issued under an Applicable Series Resolution will contain a specific reference to the modifications contained in such subsequent resolutions; or

(f) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision in the Master Resolution or to insert such provisions clarifying matters or questions arising under the Master Resolution as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent herewith as theretofore in effect, or to modify any of the provisions of the Master Resolution or of any previously adopted Applicable Series Resolution or Supplemental Resolution in any other respect, provided that such modification will not adversely affect the interests of the Bondholders of the Applicable Series in any material respect.

(Section 9.02)

General Provisions Relating to Series Resolutions and Supplemental Resolutions

The Master Resolution will not be modified or amended in any respect except in accordance with and subject to the provisions of the Master Resolution. Nothing contained in the Master Resolution will affect or limit the rights or obligations of the Authority to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of the Master Resolution or the right or obligation of the Authority to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere in the Master Resolution provided or permitted to be delivered to the Trustee or any Paying Agent.

A copy of every Series Resolution and Supplemental Resolution adopted by the Authority, when filed with the Trustee, will be accompanied by an opinion of Co-Bond Counsel stating that such Series Resolution or Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Master Resolution, is authorized or permitted by the Master Resolution and is valid and binding upon the Authority and enforceable in accordance with its terms.

The Trustee is authorized to accept delivery of a certified copy of any Series Resolution or Supplemental Resolution permitted or authorized pursuant to the provisions of the Master Resolution and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee will be fully protected in relying on the opinion of Co-Bond Counsel that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of the Master Resolution.

No Series Resolution or Supplemental Resolution changing, amending, or modifying any of the rights or obligations of the Trustee or of any Paying Agent will become effective without the written consent of the Trustee or Paying Agent affected thereby.

(Section 9.04)

Powers of Amendment

Any modification or amendment of the Master Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds under the Master Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the section of the Master Resolution described below under the heading “Supplemental Resolutions Effective with Consent of Bondholders”, (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the Applicable Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and tenor remain Outstanding, the consent of the Holders of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds described under this heading. No such modification or amendment will permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or will reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment.

(Section 10.01)

Supplemental Resolutions Effective with Consent of Bondholders

The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Master Resolution to take effect when and as provided in the Master Resolution. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders for their consent thereto in form satisfactory to the Trustee, will promptly after adoption be mailed by the Authority to the Bondholders (but failure to mail such copy and request to any particular Bondholder will not affect the validity of the Supplemental Resolution when consented to as provided in the Master Resolution). Such Supplemental Resolution will not be effective unless and until (i) there will have been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds specified in the section of the Master Resolution described above under the heading “Powers of Amendment” and (b) an opinion of Co-Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Master Resolution, is authorized or permitted by the Master Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) a notice will have been mailed as provided in the Master Resolution. Each such consent will be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof will be such as is permitted by the Master Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Master Resolution will be conclusive proof that the consents have been given by the Holders of the Bonds described in the

certificate or certificates of the Trustee. Any consent given by a Bondholder will be binding upon the Bondholder giving such consent and, anything in the Master Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bond and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this paragraph provided for is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds will have filed their consents to the Supplemental Resolution, the Trustee will make and file with the Authority and the Trustee a written statement that such Holders of such required percentages of Bonds have filed such consents. Such written statement will be conclusive that such consents have been so filed. At any time thereafter a notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this paragraph, will be given to the Bondholders by the Authority by mailing such notice to the Bondholders and, at the discretion of the Authority, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds will have filed their consents to the Supplemental Resolution and the written statement of the Trustee hereinabove provided for is filed (but failure to publish such notice will not prevent such Supplemental Resolution from becoming effective and binding as in this paragraph provided). The Authority will file with the Trustee proof of the mailing of such notice, and, if the same will have been published, of the publication thereof.

For the purposes of the Master Resolution, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the Authority, may consent to a modification or amendment permitted by the sections of the Master Resolution described herein under the headings "Powers of Amendment" or "Modifications by Unanimous Consent" in the manner provided in the Master Resolution, except that no proof of ownership will be required, and with the same effect as a consent given by the Holder of such Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto will be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series by the Authority.

(Section 10.02)

Modifications by Unanimous Consent

The terms and provisions of the Master Resolution and the rights and obligations of the Authority and of the Holders of the Bonds may be modified or amended in any respect upon the adoption and filing with the Trustee by the Authority of a copy of a Supplemental Resolution certified by an Authorized Officer of the Authority and the consent of the Holders of all of the Applicable Bonds then Outstanding, such consent to be given as provided in the Master Resolution, except that no notice to the Bondholders, either by mailing or by publication, will be required.

(Section 10.03)

Consent of Facility Provider

Whenever by the terms of the Master Resolution the consent of any of the Holders of the Bonds to a modification or amendment of the Master Resolution made by a Series Resolution or Supplemental Resolution is required, such modification or amendment will not become effective until the written consent of each Facility Provider has been obtained; provided, however, that the consent of a Facility Provider which has provided a Credit Facility or Liquidity Facility will not be required unless the modification or amendment requires the consent of the Holders of any percentage in principal amount of Outstanding Bonds or of the Holders of any percentage in principal amount of the Bonds of the Series in connection with which such Credit Facility or Liquidity Facility was provided. No modification or amendment of the Master Resolution which adversely affects a Facility Provider will be made without the written consent thereto of the Facility Provider affected thereby. Notice of the adoption of any such Series Resolution or Supplemental Resolution and of the effectiveness of the modification or amendment made thereby will be given to each Facility Provider by mail at the times and in the manner provided in the Master Resolution with respect to notices thereof required to be given to the Holders of the Bonds. Notice

thereof will also be given to each Rating Agency as soon as practical after adoption of such Supplemental Resolution and of the effectiveness thereof.

(Section 10.04)

Events of Default

Events of Default under the Master Resolution include: failure by the Authority to pay the principal, Sinking Fund Installments or Redemption Price of any Bond when the same will become due and payable; failure by the Authority to pay an installment of interest on any Bond when the same will become due and payable; the Authority defaults in the due and punctual performance of the tax covenants contained in the Series Resolution and, as a result thereof, the interest on the Bonds of a Series is no longer excludable from gross income under Section 103 of the Code (a "Taxability Default"); and default by the Authority in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Master Resolution or in the Bonds or in any Series Resolution on the part of the Authority to be performed and such default continues for thirty (30) days after written notice specifying such default and requiring same to be remedied has been given to the Authority by the Trustee, which may give such notice in its discretion and must give such notice at the written request of the Holders of not less than twenty five per centum (25%) in principal amount of the Outstanding Bonds, unless, if such default is not capable of being cured within thirty (30) days, the Authority has commenced to cure such default within said thirty (30) days and diligently prosecutes the cure thereof.

(Section 11.02)

Enforcement of Remedies

Upon the happening and continuance of any Event of Default specified in the section of the Master Resolution described above under the heading "Events of Default", then and in every such case, the Trustee may proceed, and upon the written request of the Facility Provider of a Reserve Fund Facility, or of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Applicable Series or, in the case of a happening and continuance of a Taxability Default, upon the written request of the Holders of not less than twenty five per centum (25%) in principal amount of the Outstanding Bonds of the Applicable Series affected thereby, will proceed (upon receiving compensation, expenses and indemnity to its satisfaction), to protect and enforce its rights and the rights of the Bondholders or of such Facility Provider under the Master Resolution or under any Applicable Series Resolution or under the laws of the State by such suits, actions or special proceedings in equity or at law, as the Trustee deems most effectual to protect and enforce such rights.

(Section 11.04)

Limitation of Rights of Individual Bondholders

No Holder of any of the Bonds will have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Master Resolution, or for any other remedy under the Master Resolution unless such Holder previously will have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty five per centum (25%) in principal amount of the Outstanding Bonds or, in the case of a Taxability Default, the Holders of not less than twenty five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, will have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, will have accrued, and will have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Master Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there will have been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee will have refused or neglected to comply with such request within a reasonable time.

(Section 11.08)

Defeasance

If the Authority pays or causes to be paid to the Holders of Bonds of an Applicable Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the

Master Resolution, and in the Applicable Series Resolution and Bond Series Certificate, then the pledge of the Revenues or other moneys and securities pledged to such Bonds and all other rights granted by the Master Resolution to such Holders of Bonds will be discharged and satisfied.

Bonds for the payment or redemption of which moneys will have been set aside and will be held in trust by the Trustee (through deposit of moneys for such payment or redemption or otherwise) at the maturity or redemption date thereof will be deemed to have been paid within the meaning and with the effect expressed in the paragraph above. All Outstanding Bonds of any Series or any maturity within a Series or a portion of a maturity within a Series will prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the paragraph above if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority will have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in the Master Resolution notice of redemption on said date of such Bonds, (b) there has been deposited with the Trustee either moneys in an amount which will be sufficient, or Defeasance Securities the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, will be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (c) the Trustee has received the written consent of each Facility Provider which has given written notice to the Trustee and the Authority that amounts advanced under a Credit Facility, Liquidity Facility or Reserve Fund Facility issued by it or the interest thereon have not been repaid to such Facility Provider, and (d) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority has given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses appearing on the registration books, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this paragraph and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds. The Authority will give written notice to the Trustee of its selection of the Series and maturity payment of which will be made in accordance with this paragraph. The Trustee will select the Bonds of like Series and maturity payment of which will be made in accordance with the Master Resolution. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this paragraph nor principal or interest payments on any such Defeasance Securities will be withdrawn or used for any purpose other than, and will be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; provided, however, that any moneys received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, must, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be.

(Section 12.01)

No Recourse under Master Resolution or on the Bonds

All covenants, stipulations, promises, agreements and obligations of the Authority contained in the Master Resolution will be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any member, officer or employee of the Authority in his individual capacity, and no recourse will be had for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on the Bonds or for any claims based thereon, on the Master Resolution or on a Series Resolution against any member, officer or employee of the Authority or any person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder of Bonds by the acceptance of the Bonds.

(Section 14.04)

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FORM OF CONTINUING DISCLOSURE AGREEMENT

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FORM OF CONTINUING DISCLOSURE AGREEMENT

Each Participating BOCES will enter into a written agreement (the “Continuing Disclosure Agreement”) with Digital Assurance Certification LLC (“DAC”), as disclosure dissemination agent, the Trustee, and DASNY. The Continuing Disclosure Agreement shall be in substantially the following form.

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK
MASTER BOCES PROGRAM LEASE REVENUE REFUNDING BONDS
([] ISSUE), SERIES 2015**

This **AGREEMENT TO PROVIDE CONTINUING DISCLOSURE** (the “Disclosure Agreement”), dated as of _____, is executed and delivered by the Dormitory Authority of the State of New York (the “Issuer” or “DASNY”), The Board of Cooperative Educational Services of the Sole Supervisory District of [] (the “Obligated Person”), Bank of New York Mellon, as Trustee (the “Trustee”) and Digital Assurance Certification, L.L.C. (“DAC”), as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the parties hereto through use of the DAC system and are not intended to constitute “advice” within the meaning of the United States Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer, the Obligated Person or anyone on the Issuer’s or the Obligated Person’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Resolution (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Obligated Person for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Financial Disclosure, Notice Event notice, Failure to File Event notice or Voluntary Event Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Financial Disclosure, Notice Event notice, Failure to File Event notice or Voluntary Event Disclosure required to be or voluntarily submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany

each such document submitted to the Disclosure Dissemination Agent by the Obligated Person and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Disclosure Dissemination Agreement” means that agreement, dated January 31, 2005, as amended to the date hereof, by and between the Disclosure Dissemination Agent and the Issuer pursuant to which disclosure dissemination services are to be provided by the Disclosure Dissemination Agent on behalf of the Issuer.

“Disclosure Representative” means the chief financial officer of the Obligated Person or his or her designee, or such other person as the Obligated Person shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Obligated Person’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access System maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“Issuer” means the Dormitory Authority of the State of New York, as conduit issuer of the Bonds.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the United States Securities Exchange Act of 1934, as amended.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer and the Obligated Person in connection with the Bonds, as listed on Exhibit A.

“Resolution” means DASNY’s bond resolution(s) pursuant to which the Bonds were issued

“Trustee” means Bank of New York Mellon and its successors and assigns.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Obligated Person shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy each for the Issuer and the Trustee, not later than 120 days after the end of each fiscal year of the Obligated Person (or any time thereafter following a Failure to File Event as described in this Section), commencing with the fiscal year ending June 30, 2015, such date and each anniversary thereof, the “Annual Filing Date.” Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide the Annual Report to the MSRB through its Electronic Municipal Market Access (“EMMA”) System for municipal securities disclosures. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail), with a copy to the Issuer, to remind the Obligated Person of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall, not later than two (2) business days prior to the Annual Filing Date, either: (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Financial Information, Audited Financial Statements, if available, and unaudited financial statements, if audited financial statement are not available in accordance with subsection (d) below and the Certification, or (ii) instruct the Disclosure Dissemination Agent in writing, with a copy to the Issuer and the Trustee, that a Failure to File Event may occur, state the date by which the Annual Financial Information and Audited Financial Statements for such year are expected to be provided, and, at the election of the Obligated Person, instruct the Disclosure Dissemination Agent to send a notice to the MSRB in substantially the form attached as Exhibit B on the Annual Filing Date, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Obligated Person hereby irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Obligated Person are prepared but not available prior to the Annual Filing Date, the Obligated Person shall provide unaudited financial statements for filing prior to the Annual Filing Date in accordance with Section 3(b) hereof and, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy each for the Issuer and the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Section 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to the Section 4(c) of this Disclosure Agreement:
 - 1. Principal and interest payment delinquencies;
 - 2. Non-Payment related defaults, if material;
 - 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - 5. Substitution of credit or liquidity providers, or their failure to perform;
 - 6. Adverse tax opinions, IRS notices or events affecting the tax status of the securities;
 - 7. Modifications to rights of securities holders, if material;
 - 8. Bond calls, if material;
 - 9. Defeasances;
 - 10. Release, substitution, or sale of property securing repayment of the securities, if material;
 - 11. Ratings changes;
 - 12. Tender offers;
 - 13. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
 - 14. Merger, consolidation, or acquisition of the Obligated Person, if material; and
 - 15. Appointment of a successor or additional trustee, or the change of name of a trustee, if material;
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer or the Obligated Person pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
 - 1. “amendment to continuing disclosure undertaking;”

2. “change in obligated person;”
3. “notice to investors pursuant to bond documents;”
4. “certain communications from the Internal Revenue Service;”
5. “secondary market purchases;”
6. “bid for auction rate or other securities;”
7. “capital or other financing plan;”
8. “litigation/enforcement action;”
9. “change of tender agent, remarketing agent, or other on-going party;”
10. “derivative or other similar transaction;” and
11. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer or the Obligated Person pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “change in fiscal year/timing of annual disclosure;”
3. “change in accounting standard;”
4. “interim/additional financial information/operating data;”
5. “budget;”
6. “investment/debt/financial policy;”
7. “information provided to rating agency, credit/liquidity provider or other third party;”
8. “consultant reports;” and
9. “other financial/operating data;”

(viii) provide the Obligated Person and the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Obligated Person may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, the Issuer, the Trustee and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

Each Annual Report shall contain:

(a) Annual Financial Information with respect to the Obligated Person which shall include operating data and financial information of the type included in the Official Statement for the Bonds as described in Appendix C (inclusive of tables therein) under the headings “Employees,” “Financial Information¹,” “Fiscal Stress Monitoring System²,” “GASB 45 and OPEB” and “Pension Payments” unless such information is included in the Audited Financial Statements; together with (b) such narrative explanation as may be necessary to avoid misunderstanding regarding the presentation of financial and operating data concerning the Participating BOCES together with a narrative explanation as may be necessary to avoid misunderstanding regarding the presentation of such Annual Financial Information concerning the Obligated Person; and

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles (“GAAP”) or alternate accounting principles as described in the Official Statement will be included in the Annual Report. If Audited Financial Statements are not available, the Obligated Person shall be in compliance under this Disclosure Agreement if unaudited financial statements, prepared in accordance with GAAP or alternate accounting principles as described in the Official Statement, are included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Obligated Person is an “obligated person” (as defined by the Rule), which have been previously filed the Securities and Exchange Commission or available from the MSRB Internet Website. If the document incorporated by reference is a Final Official Statement, it must be available from the MSRB. The Obligated Person will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information shall include an explanation, in narrative form, of such modifications.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;

¹ Including all tables therein, together with a statement as to whether component school boards approved the most recent BOCES administrative budget.

² If available.

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices and determinations with respect to the tax status of the securities or other material events affecting the tax status of the securities;
7. Modification to rights of the security holders, if material;
8. Bond calls, if material;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Tender Offers;
13. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(13) of this Section 4: For the purposes of the event described in subsection (a)(13) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

14. The consummation of a merger, consolidation or acquisition involving the Obligated Person, or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
15. Appointment of a successor or additional trustee or the change of name of a trustee, if material; and

The Obligated Person shall, in a timely manner not in excess of ten business days after its occurrence, notify DASNY, the Trustee and the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Upon actual knowledge of the occurrence of a Notice Event, DASNY or the Trustee shall promptly notify the Obligated Person and also may notify the Disclosure Dissemination Agent in writing of the occurrence of such Notice Event. Each such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the desired text of the disclosure, the written authorization for the Disclosure Dissemination Agent to disseminate such information, and identify the desired date for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer, the Obligated Person or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Issuer, the Obligated Person or the Disclosure Representative, such notified party will within two business days of receipt of such notice (but in any event not later than the tenth business day

after the occurrence of the Notice Event, if the Issuer or the Obligated Person determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer or the Obligated Person desires to make, contain the written authorization of the Issuer or the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer or the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed as prescribed in subsection (a) or as prescribed in subsection (b) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB, in accordance with Section 2(e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers.

Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference in the Annual Reports, Audited Financial Statements, Notice Event notices and Voluntary Event Disclosure Reports, the Obligated Person shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations.

The Obligated Person acknowledges and understands that other state and federal laws, including but not limited to the United States Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the United States Securities Exchange Act of 1934, as amended, may apply to the Obligated Person, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Obligated Person acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer or the Obligated Person, with the prior approval of DASNY, may instruct the Disclosure Dissemination Agent to file Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer or Obligated Person desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, if applicable, and identify the date the Issuer or Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer or Obligated Person as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent may presume that the Obligated Person has obtained the prior approval of DASNY for such filing and shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer or Obligated Person, with the prior approval of DASNY, may instruct the Disclosure Dissemination Agent to file Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the desired text of the disclosure, contain the written authorization for the Disclosure Dissemination Agent to disseminate such information, if applicable, and identify the desired date for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer or Obligated Person as

prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent may presume that the Obligated Person has obtained the prior approval of DASNY for such filing and shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that neither the Issuer nor the Obligated Person is obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or to file any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Person, with the approval of DASNY, from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Section 7, or including any other information in any Annual Report, Failure to File Event notice or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement. If the Obligated Person chooses to include any information in any Annual Report, Failure to File Event notice or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement or to file Voluntary Event Disclosure or Voluntary Financial Disclosure, the Obligated Person shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Voluntary Financial Disclosure, Voluntary Event Disclosure, Failure to File Event Notice or Notice Event notice.

SECTION 8. Termination of Reporting Obligation.

The obligations of the Obligated Person and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Obligated Person is no longer an Obligated Person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent.

The Issuer has appointed DAC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement pursuant to the Disclosure Dissemination Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternatively, agrees to assume all responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default.

In the event of a failure of the Obligated Person or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer or the Obligated Person has provided such information to the Disclosure Dissemination Agent as provided in this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any

Information, or any other information, disclosures or notices provided to it by the Issuer or the Obligated Person and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Obligated Person, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Obligated Person's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Issuer or the Obligated Person has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer or the Obligated Person at all times.

THE OBLIGATED PERSON AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT, THE ISSUER AND THE TRUSTEE AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITY WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LOSSES, EXPENSES AND LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND THE TRUSTEE'S (AND ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS') NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the Obligated Person under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and neither of them shall incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the Obligated Person.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format through the EMMA System and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. No Issuer or Trustee Responsibility.

The Obligated Person and the Disclosure Dissemination Agent acknowledge that neither the Issuer nor the Trustee have undertaken any responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Disclosure Agreement other than those notices required under Section 4(b) hereof, and shall have no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices or disclosures other than those notices required under said Section 4(b). DASNY (as conduit issuer) is not, for purposes of and within the meaning of the Rule, (i) committed by contract or other arrangement to support payment of all, or part of, the obligations on the Bonds, or (ii) a person for whom annual financial information and notices of material events will be provided. The Trustee shall be indemnified and held harmless in connection with this Agreement to the same extent provided in the Resolution for matters arising thereunder.

SECTION 13. Amendment; Waiver.

Notwithstanding any other provision of this Disclosure Agreement, the Obligated Person, the Issuer, the Trustee and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to each of the Obligated Person, the Issuer, the Trustee and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided none of the Obligated Person, the Issuer, the Trustee or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, DASNY, the Obligated Person, the Trustee and the Disclosure Dissemination Agent shall have the right to amend this Disclosure Agreement for any of the following purposes:

(i) to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time;

(ii) to add or change a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(iii) to evidence the succession of another person to the Obligated Person, the Trustee or the Issuer and the assumption by any such successor of the covenants of the Obligated Person, the Trustee or the Issuer hereunder;

(iv) to add to the covenants of the Obligated Person, the Issuer or the Disclosure Dissemination Agent for the benefit of the Holders, or to surrender any right or power herein conferred upon the Obligated Person, the Issuer or the Disclosure Dissemination Agent;

(v) for any purpose for which, and subject to the conditions pursuant to which, amendments may be made under the Rule, as amended or modified from time to time, or any formal authoritative interpretations thereof by the Securities and Exchange Commission.

SECTION 14. Beneficiaries.

This Disclosure Agreement shall inure solely to the benefit of the Obligated Person, the Issuer, the Trustee, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Governing Law.

This Disclosure Agreement shall be governed by the laws of the State of New York (without regard to conflicts of laws provisions).

SECTION 16. Counterparts.

This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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The Disclosure Dissemination Agent, the Issuer, the Trustee and the Obligated Person have caused this Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

**THE BOARD OF COOPERATIVE EDUCATIONAL
SERVICES OF THE SOLE SUPERVISORY DISTRICT
OF [_____],**
Obligated Person

By: _____
Name: _____
Title: _____

**DORMITORY AUTHORITY OF THE STATE OF NEW
YORK,**
Issuer

By: _____
Authorized Officer

BANK OF NEW YORK MELLON
as Trustee

By: _____
Name: _____
Title: _____

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: Dormitory Authority of the State of New York
Obligated Person(s): _____
Name of Bond Issue: _____
Date of Issuance: _____
Date of Official Statement: _____

Maturity

CUSIP No.

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Dormitory Authority of the State of New York
Obligated Person(s): _____
Name of Bond Issue: _____
Date of Issuance: _____

CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an Annual Report with respect to the above-named Bonds as required by the Agreement to Provide Continuing Disclosure, dated as of _____, by and among the Obligated Person, the Dormitory Authority of the State of New York, as Issuer, _____, as Trustee and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Obligated Person has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure
Dissemination Agent, on behalf of the Obligated Person

cc: Issuer
Obligated Person

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and Obligated Person's Names:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Tender offers;"
13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. _____ "Merger, consolidation, or acquisition of the obligated person, if material;" and
15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

_____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

**EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Continuing Disclosure Agreement dated as of _____ by and among the Issuer, the Obligated Person, the Trustee and DAC.

Issuer's and Obligated Person's Names:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking;"
2. _____ "change in obligated person;"
3. _____ "notice to investors pursuant to bond documents;"
4. _____ "certain communications from the Internal Revenue Service;"
5. _____ "secondary market purchases;"
6. _____ "bid for auction rate or other securities;"
7. _____ "capital or other financing plan;"
8. _____ "litigation/enforcement action;"
9. _____ "change of tender agent, remarketing agent, or other on-going party;"
10. _____ "derivative or other similar transaction;" and
11. _____ "other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

**EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Continuing Disclosure Agreement dated as of _____ by and among the Issuer, the Obligated Person, the Trustee and DAC.

Issuer's and Obligated Person's Names:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

Description of Voluntary Financial Disclosure (Check One):

1. _____ "quarterly/monthly financial information;"
2. _____ "change in fiscal year/timing of annual disclosure;"
3. _____ "change in accounting standard;"
4. _____ "interim/additional financial information/operating data;"
5. _____ "budget;"
6. _____ "investment/debt/financial policy;"
7. _____ "information provided to rating agency, credit/liquidity provider or other third party;"
8. _____ "consultant reports;" and
9. _____ "other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

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**FORM OF APPROVING OPINION
OF CO-BOND COUNSEL**

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FORM OF OPINION OF CO-BOND COUNSEL
RESPECTING THE DCMO BONDS

Upon delivery of the DCMO Bonds, Hodgson Russ LLP, Albany, New York and Golden Holley James, LLP, New York, New York, Co-Bond Counsel to the Authority, propose to issue their respective approving opinions as to the DCMO Bonds in substantially the following form:

June 5, 2015

Dormitory Authority of the State of New York
515 Broadway
Albany, New York 12207

Re: \$32,625,000 Dormitory Authority of the State of New York Master BOCES Program
Lease Refunding Revenue Bonds (Delaware, Chenango, Madison and Otsego Issue),
Series 2015

Ladies and Gentlemen:

We have acted as co-bond counsel to the Dormitory Authority of the State of New York (the "Authority") in connection with the issuance by the Authority of \$32,625,000 aggregate principal amount of its Master BOCES Program Lease Refunding Revenue Bonds (Delaware, Chenango, Madison and Otsego Issue), Series 2015 (the "DCMO Bonds"). The Authority is a body corporate and politic of the State of New York (the "State") constituting a public benefit corporation organized and existing under the laws of the State of New York, including the Dormitory Authority Act (being Chapter 524 of the Laws of 1944 of the State, as amended, and constituting Titles 4 and 4-B of Article 8 of the New York Public Authorities Law), as amended from time to time to the date hereof (hereinafter collectively called the "Act").

The DCMO Bonds are authorized to be issued in accordance with the Act, and pursuant and subject to the terms and conditions of (a) the Authority's Master BOCES Program Lease Revenue Bond Resolution, adopted on August 15, 2001, as amended and supplemented (the "Master Resolution"), (b) the Series Resolution Authorizing up to \$39,000,000 Master BOCES Program Lease Refunding Revenue Bonds (Delaware, Chenango, Madison and Otsego Issue), Series 2015, adopted by the Authority on March 11, 2015 (the "DCMO Resolution" and, together with the Master Resolution, the "Resolutions"), and (c) the Bond Series Certificate relating to the DCMO Bonds executed and delivered concurrently with the issuance of the DCMO Bonds (the "DCMO Bond Series Certificate"). The DCMO Bonds were issued for the purposes set forth in the Resolutions. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

The Authority has entered into (a) an Amended and Restated Agreement of Lease, dated as of March 11, 2015 (the "BOCES Lease"), amending and restating the Agreement of Lease, dated as of May 4, 2007, between the Board of Cooperative Educational Services for the Sole Supervisory District of Delaware, Chenango, Madison and Otsego Counties (the "DCMO BOCES"), as landlord, and the Authority, as tenant, whereby the DCMO BOCES leased the Project to the Authority, (b) an Amended and Restated Lease and Agreement, dated as of March 11, 2015 (the "DCMO Agreement"), amending and restating the Lease and Agreement, dated as of May 4, 2007, between the Authority, as sub-landlord, and the DCMO BOCES, as sub-tenant, whereby the Authority subleased the Project to the DCMO BOCES. Pursuant to the DCMO Agreement, the DCMO BOCES is required to make payments of Basic Rent (as defined in the DCMO Agreement) sufficient to pay the principal, sinking fund installments, if

any, and redemption price of and interest on the DCMO Bonds as the same become due, which payments have been pledged by the Authority to the Trustee for the benefit of the owners of the DCMO Bonds.

The DCMO Bonds are secured by, among other things, funds and accounts held under the Resolutions and a pledge of payments to be made under the DCMO Agreement.

The DCMO Bonds are dated their date of delivery, mature on August 15 of the years and in the respective principal amounts, and bear interest, payable on February 15, 2016 and semiannually thereafter on February 15 and August 15 in each year, at the respective rates per annum, all as set forth in the DCMO Bond Series Certificate and in the Resolutions.

The DCMO Bonds are to be issued in fully registered form in denominations of \$5,000 at maturity or any integral multiple thereof. The DCMO Bonds are payable, subject to redemption prior to maturity, exchangeable, transferable and secured upon such terms and conditions as are contained in the DCMO Bond Series Certificate and in the Resolutions.

In rendering the opinions expressed herein, we have reviewed the Act, the Resolutions, the DCMO Bond Series Certificate, the BOCES Lease, the DCMO Agreement, the Tax Certificate and Agreement dated as of the date hereof (the “DCMO Tax Certificate and Agreement”) between the Authority and DCMO BOCES in connection with the issuance of the DCMO Bonds, opinions of counsel to the Authority, the Trustee and DCMO BOCES, certificates of the Authority, the Trustee, DCMO BOCES and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein. We have assumed the genuineness of all documents and signatures presented to us and the accuracy of the factual matters represented, warranted or certified therein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion speaks only of its date and is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the DCMO Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and certificates, and of the legal conclusions contained in the opinions, referred to above. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolutions, the BOCES Lease, the DCMO Agreement and the DCMO Tax Certificate and Agreement, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the DCMO Bonds to be included in gross income for federal income tax purposes.

Any opinion concerning the validity, binding effect or enforceability of any document (A) means that (1) such document constitutes an effective contract under applicable law, (2) such document is not invalid in its entirety under applicable law because of a specific statutory prohibition or public policy and is not subject in its entirety to a contractual defense under applicable law and (3) subject to the following sentence, some remedy is available under applicable law if the person concerning whom such opinion is given is in material default under such document, but (B) does not mean that (1) any particular remedy is available under applicable law upon such material default or (2) every provision of such document will be upheld or enforced in any or each circumstance by a court applying applicable law. Furthermore, the

validity, binding effect or enforceability of any document may be limited to or otherwise affected by (A) any applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies generally or (B) the unavailability of, or any limitation on the availability of, any particular right or remedy (whether in a proceeding in equity or law) because of the discretion of a court or because of any equitable principle or requirement as to commercial reasonableness, conscionability or good faith.

The Authority has covenanted in the DCMO Resolution and the DCMO BOCES has covenanted in the DCMO Agreement to comply with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code") in order to maintain the exclusion of the interest on the DCMO Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the DCMO BOCES have made certain representations and certifications in their respective tax agreements relating to the DCMO Bonds. Bond Counsel will not independently verify the accuracy of those representations and certifications. The opinions set forth in paragraphs 6 and 7 below assume, among other matters, the accuracy of certain representations and certifications made by the Authority and the DCMO BOCES described above and compliance with the aforementioned covenants and the requirements of the Code that must be satisfied subsequent to the issuance of the DCMO Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes, including covenants and requirements regarding use, expenditure of proceeds and timely payment of certain investment earnings to the United States Treasury. Failure to comply with certain of such requirements may cause the inclusion of interest on the DCMO Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the DCMO Bonds.

Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the DCMO Bonds and express no opinion with respect thereto.

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

1. The Authority has been duly created and is validly existing as a body corporate and politic constituting a public benefit corporation of the State of New York.

2. The DCMO Bonds have been duly and validly authorized to be issued and constitute the valid and binding special obligations of the Authority enforceable in accordance with their terms and the terms of the Resolutions, will be payable solely from the sources provided therefor in the Resolutions, and will be entitled to the benefit of the Resolutions and the Act.

3. The Resolutions are in full force and effect, have been duly adopted by, and constitute the valid and binding obligations of, the Authority. The Resolutions create a valid pledge, to secure the payment of the principal of and interest on the DCMO Bonds, of the Revenues and any other amounts (including proceeds of the sale of the DCMO Bonds) held by the Trustee in any fund or account established pursuant to the Resolutions (except the Arbitrage Rebate Fund), subject to the provisions of the Resolutions permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolutions.

4. The DCMO Agreement has been duly executed and delivered by the Authority and, assuming due execution and delivery thereof by the DCMO BOCES, constitutes the valid and binding agreement of the Authority in accordance with its terms.

5. The DCMO Bonds are not a lien or charge upon the funds or property of the Authority except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of New York or of any political subdivision thereof is pledged to the payment of the principal or interest on the DCMO Bonds. The DCMO Bonds are not a debt of the State of New York, and said State is not liable for the payment thereof

6. Under existing law, interest on the DCMO Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Under existing law, interest on the DCMO Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes; provided, however, that such interest is taken into account in determining the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations and the branch profits tax imposed on foreign corporations doing business in the United States.

7. Interest on the DCMO Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York and the City of Yonkers).

Except as stated in paragraphs 6 and 7 above, we express no opinion regarding any Federal, state or local tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the DCMO Bonds. Further, we express no opinion as to any Federal, state or local tax law consequences with respect to the DCMO Bonds, or the interest thereon, if any action is taken with respect to the DCMO Bonds or the proceeds thereof upon the advice or approval of other counsel. We render no opinion as to the exclusion from gross income of interest on the DCMO Bonds for purposes of federal income taxation on or after the date on which any change occurs or action is taken or omitted under the Resolutions, the DCMO Agreement or under any other relevant documents without the advice or approval of, or upon the advice or approval of any bond counsel other than, Hodgson Russ LLP and Golden Holley James LLP. In addition, we have not undertaken to determine, or to inform any person, whether any actions taken, or not taken, or events occurring, or not occurring, after the date of issuance of the DCMO Bonds may affect the tax status of interest on the DCMO Bonds. Further, although the interest is excludable from gross income for federal income tax purposes, receipt or accrual of the interest may otherwise affect the tax liability of a holder of a Series 2015 Bond. The tax effect of receipt or accrual of the interest will depend upon the tax status of a holder of a Series 2015 Bond and such holder's other items of income, deduction or credit. We express no opinion with respect to any such effect.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Authority, and (iii) the correctness of the legal conclusions contained in the legal opinion letters of counsel to the Institution delivered in connection with this matter.

In rendering those opinions with respect to treatment of the interest on the DCMO Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Authority and the Institution. Failure to comply with certain of those covenants subsequent to issuance of the DCMO Bonds may cause interest on the DCMO Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the DCMO Bonds, the Resolutions or the DCMO Agreement.

The opinions contained in paragraphs 2 through 4 above are qualified to the extent that the enforceability of the Resolutions, the DCMO Bonds and the DCMO Agreement may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy.

In connection with the delivery of this opinion, we are not passing upon the authorization, execution and delivery of the authorization, execution and delivery of the BOCES Lease and the DCMO Agreement by the DCMO BOCES. We have assumed the due authorization, execution and delivery of the authorization, execution and delivery of the BOCES Lease and the DCMO Agreement by the DCMO BOCES.

We express no opinion in this letter as to the accuracy, completeness, fairness or sufficiency of the Official Statement relating to the DCMO Bonds, or any appendices thereto.

The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as co-bond counsel with respect to the DCMO Bonds has concluded on this date.

Very truly yours,

FORM OF OPINION OF CO-BOND COUNSEL
RESPECTING THE SLL BONDS

Upon delivery of the SLL Bonds, Hodgson Russ LLP, Albany, New York and Golden Holley James, LLP, New York, New York, Co-Bond Counsel to the Authority, propose to issue their respective approving opinions as to the SLL Bonds in substantially the following form:

June 5, 2015

Dormitory Authority of the State of New York
515 Broadway
Albany, New York 12207

Re: \$7,860,000 Dormitory Authority of the State of New York Master BOCES Program
Lease Refunding Revenue Bonds (St. Lawrence-Lewis Issue), Series 2015

Ladies and Gentlemen:

We have acted as co-bond counsel to the Dormitory Authority of the State of New York (the “Authority”) in connection with the issuance by the Authority of \$7,860,000 aggregate principal amount of its Master BOCES Program Lease Refunding Revenue Bonds (St. Lawrence-Lewis Issue), Series 2015 (the “SLL Bonds”). The Authority is a body corporate and politic of the State of New York (the “State”) constituting a public benefit corporation organized and existing under the laws of the State of New York, including the Dormitory Authority Act (being Chapter 524 of the Laws of 1944 of the State, as amended, and constituting Titles 4 and 4-B of Article 8 of the New York Public Authorities Law), as amended from time to time to the date hereof (hereinafter collectively called the “Act”).

The SLL Bonds are authorized to be issued in accordance with the Act, and pursuant and subject to the terms and conditions of (a) the Authority’s Master BOCES Program Lease Revenue Bond Resolution, adopted on August 15, 2001, as amended and supplemented (the “Master Resolution”), (b) the Series Resolution Authorizing up to \$9,500,000 Master BOCES Program Lease Refunding Revenue Bonds (St. Lawrence-Lewis Issue), Series 2015, adopted by the Authority on March 11, 2015 and as Amended and Restated on May 13, 2015 (the “SLL Resolution” and, together with the Master Resolution, the “Resolutions”), and (c) the Bond Series Certificate relating to the SLL Bonds executed and delivered concurrently with the issuance of the SLL Bonds (the “SLL Bond Series Certificate”). The SLL Bonds were issued for the purposes set forth in the Resolutions. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

The Authority has entered into (a) an Amended and Restated Agreement of Lease, dated as of March 11, 2015 (the “BOCES Lease”), amending and restating the Agreement of Lease, dated as of May 4, 2007, between the Board of Cooperative Educational Services for the Sole Supervisory District of St. Lawrence-Lewis Counties (the “St. Lawrence-Lewis BOCES”), as landlord, and the Authority, as tenant, whereby the St. Lawrence-Lewis BOCES leased the Project to the Authority, (b) an Amended and Restated Lease and Agreement, dated as of March 11, 2015 (the “SLL Agreement”), amending and restating the Lease and Agreement, dated as of May 4, 2007, between the Authority, as sub-landlord, and the St. Lawrence-Lewis BOCES, as sub-tenant, whereby the Authority subleased the Project to the St. Lawrence-Lewis BOCES. Pursuant to the SLL Agreement, the St. Lawrence-Lewis BOCES is required to make payments of Basic Rent (as defined in the SLL Agreement) sufficient to pay the principal, sinking fund installments, if any, and redemption price of and interest on the SLL Bonds as the same become due,

which payments have been pledged by the Authority to the Trustee for the benefit of the owners of the SLL Bonds.

The SLL Bonds are secured by, among other things, funds and accounts held under the Resolutions and a pledge of payments to be made under the SLL Agreement.

The SLL Bonds are dated their date of delivery, mature on August 15 of the years and in the respective principal amounts, and bear interest, payable on February 15, 2016 and semiannually thereafter on February 15 and August 15 in each year, at the respective rates per annum, all as set forth in the SLL Bond Series Certificate and in the Resolutions.

The SLL Bonds are to be issued in fully registered form in denominations of \$5,000 at maturity or any integral multiple thereof. The SLL Bonds are payable, subject to redemption prior to maturity, exchangeable, transferable and secured upon such terms and conditions as are contained in the SLL Bond Series Certificate and in the Resolutions.

In rendering the opinions expressed herein, we have reviewed the Act, the Resolutions, the SLL Bond Series Certificate, the BOCES Lease, the SLL Agreement, the Tax Certificate and Agreement dated as of the date hereof (the "SLL Tax Certificate and Agreement") between the Authority and St. Lawrence-Lewis BOCES in connection with the issuance of the SLL Bonds, opinions of counsel to the Authority, the Trustee and St. Lawrence-Lewis BOCES, certificates of the Authority, the Trustee, St. Lawrence-Lewis BOCES and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein. We have assumed the genuineness of all documents and signatures presented to us and the accuracy of the factual matters represented, warranted or certified therein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion speaks only of its date and is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the SLL Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and certificates, and of the legal conclusions contained in the opinions, referred to above. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolutions, the BOCES Lease, the SLL Agreement and the SLL Tax Certificate and Agreement, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the SLL Bonds to be included in gross income for federal income tax purposes.

Any opinion concerning the validity, binding effect or enforceability of any document (A) means that (1) such document constitutes an effective contract under applicable law, (2) such document is not invalid in its entirety under applicable law because of a specific statutory prohibition or public policy and is not subject in its entirety to a contractual defense under applicable law and (3) subject to the following sentence, some remedy is available under applicable law if the person concerning whom such opinion is given is in material default under such document, but (B) does not mean that (1) any particular remedy is available under applicable law upon such material default or (2) every provision of such document will be

upheld or enforced in any or each circumstance by a court applying applicable law. Furthermore, the validity, binding effect or enforceability of any document may be limited to or otherwise affected by (A) any applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies generally or (B) the unavailability of, or any limitation on the availability of, any particular right or remedy (whether in a proceeding in equity or law) because of the discretion of a court or because of any equitable principle or requirement as to commercial reasonableness, conscionability or good faith.

The Authority has covenanted in the SLL Resolution and the St. Lawrence-Lewis BOCES has covenanted in the SLL Agreement to comply with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code") in order to maintain the exclusion of the interest on the SLL Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the St. Lawrence-Lewis BOCES have made certain representations and certifications in their respective tax agreements relating to the SLL Bonds. Bond Counsel will not independently verify the accuracy of those representations and certifications. The opinions set forth in paragraphs 6 and 7 below assume, among other matters, the accuracy of certain representations and certifications made by the Authority and the St. Lawrence-Lewis BOCES described above and compliance with the aforementioned covenants and the requirements of the Code that must be satisfied subsequent to the issuance of the SLL Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes, including covenants and requirements regarding use, expenditure of proceeds and timely payment of certain investment earnings to the United States Treasury. Failure to comply with certain of such requirements may cause the inclusion of interest on the SLL Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the SLL Bonds.

Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the SLL Bonds and express no opinion with respect thereto.

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

1. The Authority has been duly created and is validly existing as a body corporate and politic constituting a public benefit corporation of the State of New York.

2. The SLL Bonds have been duly and validly authorized to be issued and constitute the valid and binding special obligations of the Authority enforceable in accordance with their terms and the terms of the Resolutions, will be payable solely from the sources provided therefor in the Resolutions, and will be entitled to the benefit of the Resolutions and the Act.

3. The Resolutions are in full force and effect, have been duly adopted by, and constitute the valid and binding obligations of, the Authority. The Resolutions create a valid pledge, to secure the payment of the principal of and interest on the SLL Bonds, of the Revenues and any other amounts (including proceeds of the sale of the SLL Bonds) held by the Trustee in any fund or account established pursuant to the Resolutions (except the Arbitrage Rebate Fund), subject to the provisions of the Resolutions permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolutions.

4. The SLL Agreement has been duly executed and delivered by the Authority and, assuming due execution and delivery thereof by the St. Lawrence-Lewis BOCES, constitutes the valid and binding agreement of the Authority in accordance with its terms.

5. The SLL Bonds are not a lien or charge upon the funds or property of the Authority except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of New York or of any political subdivision thereof is pledged to the payment of the principal or interest on the SLL Bonds. The SLL Bonds are not a debt of the State of New York, and said State is not liable for the payment thereof

6. Under existing law, interest on the SLL Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Under existing law, interest on the SLL Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes; provided, however, that such interest is taken into account in determining the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations and the branch profits tax imposed on foreign corporations doing business in the United States.

7. Interest on the SLL Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York and the City of Yonkers).

Except as stated in paragraphs 6 and 7 above, we express no opinion regarding any Federal, state or local tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the SLL Bonds. Further, we express no opinion as to any Federal, state or local tax law consequences with respect to the SLL Bonds, or the interest thereon, if any action is taken with respect to the SLL Bonds or the proceeds thereof upon the advice or approval of other counsel. We render no opinion as to the exclusion from gross income of interest on the SLL Bonds for purposes of federal income taxation on or after the date on which any change occurs or action is taken or omitted under the Resolutions, the SLL Agreement or under any other relevant documents without the advice or approval of, or upon the advice or approval of any bond counsel other than, Hodgson Russ LLP and Golden Holley James LLP. In addition, we have not undertaken to determine, or to inform any person, whether any actions taken, or not taken, or events occurring, or not occurring, after the date of issuance of the SLL Bonds may affect the tax status of interest on the SLL Bonds. Further, although the interest is excludable from gross income for federal income tax purposes, receipt or accrual of the interest may otherwise affect the tax liability of a holder of a Series 2015 Bond. The tax effect of receipt or accrual of the interest will depend upon the tax status of a holder of a Series 2015 Bond and such holder's other items of income, deduction or credit. We express no opinion with respect to any such effect.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Authority, and (iii) the correctness of the legal conclusions contained in the legal opinion letters of counsel to the Institution delivered in connection with this matter.

In rendering those opinions with respect to treatment of the interest on the SLL Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Authority and the Institution. Failure to comply with certain of those covenants subsequent to issuance of the SLL Bonds may cause interest on the SLL Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the SLL Bonds, the Resolutions or the SLL Agreement.

The opinions contained in paragraphs 2 through 4 above are qualified to the extent that the enforceability of the Resolutions, the SLL Bonds and the SLL Agreement may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy.

In connection with the delivery of this opinion, we are not passing upon the authorization, execution and delivery of the authorization, execution and delivery of the BOCES Lease and the SLL Agreement by the St. Lawrence-Lewis BOCES. We have assumed the due authorization, execution and delivery of the authorization, execution and delivery of the BOCES Lease and the SLL Agreement by the St. Lawrence-Lewis BOCES.

We express no opinion in this letter as to the accuracy, completeness, fairness or sufficiency of the Official Statement relating to the SLL Bonds, or any appendices thereto.

The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as co-bond counsel with respect to the SLL Bonds has concluded on this date.

Very truly yours,



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