

DASNY

\$16,120,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
RAISE THE AGE REVENUE BOND FINANCING PROGRAM REVENUE BONDS
SERIES 2022

Dated: Date of Delivery**Due: As shown on the inside cover**

Payment and Security: The Dormitory Authority of the State of New York Raise the Age Revenue Bond Financing Program Revenue Bonds, Series 2022 (the “Series 2022 Bonds”), will be special limited obligations of the Dormitory Authority of the State of New York (“DASNY”), payable solely from and secured by a pledge of (i) certain payments to be made by the County of Albany, New York (the “County”) pursuant to the Financing Agreement (the “Agreement”), dated as of December 7, 2022, between DASNY and the County, and (ii) all funds and accounts of the Series 2022 Bonds (except the Arbitrage Rebate Fund) established under DASNY’s Raise the Age Revenue Bond Financing Program Revenue Bond Resolution adopted September 7, 2022 (the “Bond Resolution”), and DASNY’s Series Resolution 2022-1 Authorizing Up to \$22,000,000 Raise the Age Revenue Bonds, adopted September 7, 2022 (the “Series 2022 Resolution”). The Bond Resolution and the Series 2022 Resolution are herein collectively referred to as the “Resolutions.” There is no debt service reserve fund securing the Series 2022 Bonds and no real property of the County secures the Series 2022 Bonds.

Under the Agreement, DASNY will make available to the County a portion of the proceeds of the Series 2022 Bonds in order to finance a portion of the costs of the renovation and expansion of the Capital District Juvenile Secure Detention Facility, located at 838 Albany Shaker Road, Town of Colonie, New York in order to separately house adolescent offenders as required by New York State’s Raise the Age legislation, in addition to other youth outside of the Raise the Age placement program who may also be housed in such facility and to make ancillary improvements.

The County is required under the Agreement to repay the financing (the “Financing”) to be made available by DASNY to the County from proceeds of the Series 2022 Bonds. The payments made pursuant to the Agreement (“Financing Repayments”) are scheduled to be sufficient to repay, when due, the principal and Redemption Price of and interest on the Series 2022 Bonds. The County is also required under the Agreement to pay such amounts as are required to be paid under the Agreement, including the fees and expenses of DASNY and The Bank of New York Mellon, as trustee (the “Trustee”). To secure its payment of all amounts due under the Agreement, the County under the Agreement has assigned and pledged to DASNY a sufficient portion of any and all public funds apportioned or otherwise made payable by the New York State (the “State”) Office of Children and Family Services (“OCFS”) to the County (the “Pledged Revenues”). The County has directed and acknowledged that, upon the failure of the County to pay amounts due under the Agreement, the Pledged Revenues are to be paid directly to the Trustee pursuant to an assignment from DASNY as provided in the Act (as defined herein) and the Memorandum of Understanding among the County, DASNY, the New York State Comptroller and OCFS. The Series 2022 Bonds will be separately secured by the pledge and assignment to the Trustee of the payments to be made by the County to DASNY under the Agreement and DASNY’s interest in the Pledged Revenues pledged and assigned to DASNY under the Agreement. See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS.”

For purposes of the Act, DASNY and the County have agreed that the Agreement shall be deemed executory only to the extent of the monies appropriated and available by the County for the purpose of the Agreement, and no liability on account thereof shall be incurred beyond the amount of such monies. Neither the Agreement nor any representation by any public employee or officer creates any legal or moral obligation to request, appropriate or make available monies for purposes of the Agreement. **The Agreement does not constitute indebtedness of the County for purposes of the State Constitution or the Local Finance Law of the State. The Agreement is not a general obligation of the County. Neither the faith and credit nor the taxing power of the County are pledged to the payment of any amount due or to become due under the Agreement.**

The Series 2022 Bonds will not be a debt of the State nor will the State be liable thereon. DASNY has no taxing power.

Description: The Series 2022 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the Series 2022 Bonds due each June 1 and December 1, commencing June 1, 2023, will be payable by check or draft mailed to the registered owners of the Series 2022 Bonds at their addresses as shown on the registration books held by the Trustee or, at the option of a registered owner as of the fifteenth of the calendar month next preceding an interest payment date of at least \$1,000,000 in principal amount of the Series 2022 Bonds, by wire transfer to the wire transfer address within the continental United States to which the registered owner has instructed the Trustee to make such payment at least five (5) days prior to an interest payment date. The principal or Redemption Price of the Series 2022 Bonds will be payable at the principal corporate trust office of the Trustee, as paying agent, or, with respect to Redemption Price, at the option of a registered owner of at least \$1,000,000 in principal amount of Series 2022 Bonds, by wire transfer to the registered owner of such Series 2022 Bonds as more fully described herein.

The Series 2022 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 2022 Bonds will be made in Book-Entry form without certificates. So long as DTC or its nominee is the registered owner of the Series 2022 Bonds, payments of the principal or Redemption Price of and interest on such Series 2022 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 2022 BONDS – Book-Entry Only System” herein.

Redemption: *The Series 2022 Bonds are subject to redemption prior to maturity as more fully described herein.*

Tax Matters: In the respective opinions of Barclay Damon LLP and Law Offices of Joseph C. Reid, P.A., Co-Bond Counsel to DASNY, under existing law, and assuming compliance with certain covenants described herein, and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by DASNY, the County and others, interest on the Series 2022 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Co-Bond Counsel are further of the opinion that interest on the Series 2022 Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code; however, for tax years beginning after December 31, 2022, interest on the Series 2022 Bonds that is included in the adjusted financial statement income of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. Co-Bond Counsel are also of the opinion that, under existing law, interest on the Series 2022 Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York). See “Part 11 – TAX MATTERS” herein regarding certain other tax considerations.

The Series 2022 Bonds are offered when, as and if issued and received by the Underwriters. The offer of the Series 2022 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 Barclay Damon LLP, Albany, New York, and Law Offices of Joseph C. Reid, P.A., New York, New York, Co-Bond Counsel to DASNY, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by their counsel, Katten Muchin Rosenman LLP, New York, New York, and for the County by Hodgson Russ LLP, Albany, New York. DASNY expects to deliver the Series 2022 Bonds in Albany, New York, on or about December 22, 2022.

RBC Capital Markets
Siebert Williams Shank & Co., LLC

\$16,120,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
RAISE THE AGE REVENUE BOND FINANCING PROGRAM REVENUE BONDS
SERIES 2022

<u>Due</u> <u>Dec 1,</u>	<u>Amount</u>	<u>Interest</u>		<u>CUSIP⁽¹⁾</u>	<u>Due</u> <u>Dec 1,</u>	<u>Amount</u>	<u>Interest</u>		<u>CUSIP⁽¹⁾</u>
		<u>Rate</u>	<u>Yield</u>				<u>Rate</u>	<u>Yield</u>	
2023	\$ 615,000	5.00%	2.700%	65000BWS3	2031	\$ 845,000	5.00%	2.700%	65000BXA1
2024	600,000	5.00	2.550	65000BWT1	2032	885,000	5.00	2.700	65000BXB9
2025	630,000	5.00	2.550	65000BWU8	2033	930,000	5.00	2.800 ⁽²⁾	65000BXC7
2026	660,000	5.00	2.550	65000BWW6	2034	980,000	5.00	2.990 ⁽²⁾	65000BXD5
2027	695,000	5.00	2.570	65000BWW4	2035	1,025,000	5.00	3.170 ⁽²⁾	65000BXE3
2028	730,000	5.00	2.600	65000BWX2	2036	1,080,000	5.00	3.320 ⁽²⁾	65000BXF0
2029	765,000	5.00	2.610	65000BWY0	2037	1,135,000	5.00	3.440 ⁽²⁾	65000BXG8
2030	805,000	5.00	2.650	65000BWZ7	2038	1,190,000	5.00	3.560 ⁽²⁾	65000BXH6

\$2,550,000 4.00% Term Bonds due December 1, 2040, Yield: 4.150% CUSIP⁽¹⁾ 65000B XK9

⁽¹⁾ Copyright, American Bankers Association (“ABA”). CUSIP is a registered trademark of the ABA. CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems Inc. Copyright© 2022 CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with DASNY and are included solely for the convenience of the holders of the Series 2022 Bonds. DASNY is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2022 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2022 Bonds.

⁽²⁾ Priced at stated yield to the first optional redemption date of December 1, 2032 at the redemption price of 100%.

No dealer, broker, salesperson or other person has been authorized by DASNY, the County, OCFS, or the Underwriters to give any information or to make any representations with respect to the Series 2022 Bonds, other than the information and representations contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by any of the foregoing.

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 2022 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The Underwriters have reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities law, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information set forth herein relating to DASNY under the heading "PART 8 – DASNY" has been obtained from DASNY. All other information herein has been obtained from the County, OCFS and other sources deemed to be reliable, and is not to be construed as a representation by DASNY or the Underwriters. In addition, neither DASNY nor the Underwriters warrant the accuracy of the statements contained herein relating to the County or of the information in "PART 5 – RAISE THE AGE INITIATIVE," which was supplied by OCFS, nor does DASNY directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the County, (2) the sufficiency of the security for the Series 2022 Bonds, or (3) the value or investment quality of the Series 2022 Bonds.

The County has reviewed the parts of this Official Statement describing the County and its finances, the covenants of the County, the principal and interest requirements, the Project and the estimated sources and uses of bond proceeds. As a condition to delivery of the Series 2022 Bonds, the County will certify that as of the date of this Official Statement and of delivery of the Series 2022 Bonds, such parts do not contain any untrue statements of a material fact and do not omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading. The County 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 and the Agreement do not purport to be complete. Refer to the Act, the Resolutions and the Agreement for full and complete details of their provisions. Copies of the Act, the Resolutions and the Agreement are or will be on file with DASNY and/or 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 and the County have remained unchanged after the date of this Official Statement.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates" and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, which are beyond the control of DASNY and the County. These forward-looking statements speak only as of the date of this Official Statement. DASNY and the County disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in DASNY's or the County's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

References to website addresses presented in this Official Statement are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission.

The Trustee has no responsibility for the form and content of this Official Statement and has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2022 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF SUCH BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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DORMITORY AUTHORITY – STATE OF NEW YORK
REUBEN R. McDANIEL, III – PRESIDENT

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

OFFICIAL STATEMENT RELATING TO

\$16,120,000

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

RAISE THE AGE REVENUE BOND FINANCING PROGRAM REVENUE BONDS

SERIES 2022

PART 1 – INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page, the inside cover page and the appendices, is to provide information about the Dormitory Authority of the State of New York (“DASNY”) and the County of Albany, New York (the “County”) in connection with the offering by DASNY of \$16,120,000 aggregate principal amount of its Raise the Age Revenue Bond Financing Program Revenue Bonds, Series 2022 (the “Series 2022 Bonds”).

The following is a brief description of certain information concerning the Series 2022 Bonds, the RTA Initiative (as defined herein), the New York State Office of Children and Family Services (“OCFS”), the County and DASNY. A more complete description of such information and additional information that may affect decisions to invest in the Series 2022 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. Certain information pertaining to the County is contained in Appendix B hereto.

Purpose of the Series 2022 Bonds

The Series 2022 Bonds are being issued for the purpose of providing funds that will be used by the County to finance a portion of the costs of the renovation and expansion of the Capital District Juvenile Secure Detention Facility, located at 838 Albany Shaker Road, Town of Colonie, New York (the “Facility”), in order to separately house adolescent offenders as required by New York State’s Raise the Age (“RTA”) legislation, in addition to other youth outside of the RTA placement program who may also be housed in such facility and to make ancillary improvements. See “PART 4 – THE COUNTY.”

Proceeds from the sale of the Series 2022 Bonds will also be used to pay the Costs of Issuance of the Series 2022 Bonds. See “PART 7 – ESTIMATED SOURCES AND USES OF BOND PROCEEDS.”

Authorization of Issuance

The Act empowers DASNY, among other things, to issue its bonds for the purpose of financing detention facilities certified by OCFS, including the SSD Facilities (defined herein).

The Series 2022 Bonds will be issued pursuant to the Bond Resolution, the Series 2022 Resolution and the Act.

The Bond Resolution authorizes the issuance of multiple Series of Bonds. Each Series of Bonds is to be separately secured by (i) the funds and accounts established for such Series pursuant to a Series Resolution, (ii) certain payments to be made under a financing agreement by a county receiving a financing to be funded from the proceeds of the particular Series, and (iii) the pledge and assignment by the particular county in its financing agreement of a sufficient portion of any and all public funds apportioned or otherwise made payable by OCFS to such county (the “Pledged Revenues”). No county will be responsible for the payment obligations of any other county nor will the Pledged Revenues pledged and assigned by a county be available to satisfy the obligations of any other county. None of the funds and accounts established under any Series Resolution or the pledge of the Pledged Revenues to secure a Series of Bonds shall secure any other Series of Bonds. However, if more than one Series of Bonds has been or will be issued to finance or refinance projects for a particular county, the Pledged Revenues assigned by such county will be pledged to secure all such Series of Bonds on a parity basis. See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS – Additional Bonds and Other Indebtedness.”

DASNY

DASNY is a public benefit corporation of New York State (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 8 – DASNY.”

The County

The County is home to the State capital and has a population of approximately 314,848. It is approximately 135 miles directly north of New York City and has a total area of approximately 533 square miles. Certain detailed financial and economic information relating to the County is contained in Appendix B hereto. See “Appendix B – Certain Financial and Economic Information Relating to Albany County.” The financial statements as of the fiscal year ended December 31, 2021 of the County and additional information regarding the County have been filed by the County with the Electronic Municipal Market Access System (“EMMA”) maintained by the Municipal Securities Rulemaking Board (“MSRB”) (see <https://emma.msrb.org/P11677193.pdf>). Such financial statements are incorporated herein by reference. See also “Appendix B – Certain Financial and Economic Information Relating to Albany County – FINANCIAL INFORMATION.”

The Series 2022 Bonds

The Series 2022 Bonds will be dated their date of delivery and will bear interest from such date of delivery at the rates and will mature on the dates set forth on the inside cover page of this Official Statement. Interest on the Series 2022 Bonds is payable each June 1 and December 1, commencing June 1, 2023. See “PART 3 – THE SERIES 2022 BONDS – Description of the Series 2022 Bonds.”

Payment of the Series 2022 Bonds

The Series 2022 Bonds are special limited obligations of DASNY payable solely from the payments to be made by the County under the financing agreement between DASNY and the County (the “Agreement”) and the Pledged Revenues. Payments due under the Agreement (“Financing Repayments”) are scheduled to be sufficient to pay the principal and Redemption Price of and interest on the Series 2022 Bonds. The Agreement also requires the County to pay fees and expenses of DASNY and the Trustee. Pursuant to the Bond Resolution, the Financing Repayments and DASNY’s right to receive the same under the Agreement and the Pledged Revenues have been pledged to the Trustee to secure solely the Series 2022 Bonds and no other Series of Bonds. However, if more than one Series of Bonds will in the future be issued to finance or refinance projects for the County, the Pledged Revenues assigned by the County will be pledged to secure all such Series of Bonds on a parity basis. See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS – Additional Bonds and Other Indebtedness.”

A failure to pay an amount when due by the County under the Agreement may result in an intercept of the Pledged Revenues in an amount required to pay such deficiency. See “– Security for the Series 2022 Bonds” below. Upon the occurrence of an event of default, neither DASNY, the Trustee nor the Holders of the Series 2022 Bonds will have the right to accelerate the payments of the County under the Agreement.

For purposes of the Act, DASNY and the County have agreed that the Agreement shall be deemed executory only to the extent of the monies appropriated and available by the County for the purpose of the Agreement, and no liability on account therefor shall be incurred beyond the amount of such monies. Neither the Agreement nor any representation by any public employee or officer creates any legal or moral obligation to request, appropriate or make available monies for purposes of the Agreement. **The Agreement does not constitute indebtedness of the County for purposes of the State Constitution or the Local Finance Law of the State. The Agreement is not a general obligation of the County. Neither the faith and credit nor the taxing power of the County are pledged to the payment of any amount due or to become due under the Agreement.**

The Series 2022 Bonds will not be a debt of the State nor will the State be liable thereon. DASNY has no taxing power.

See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS – Payment of the Series 2022 Bonds” and “– Security for the Series 2022 Bonds.”

Security for the Series 2022 Bonds

The Series 2022 Bonds will be secured by the pledge and assignment to the Trustee of payments due under the Agreement, including Financing Repayments, and all funds and accounts established by the Resolutions with respect to the Series 2022 Bonds (other than the Arbitrage Rebate Fund).

To secure payment of all amounts due under the Agreement, the County has assigned and pledged to DASNY its Pledged Revenues. The Act authorizes an intercept mechanism under which the State Comptroller shall pay the public funds assigned by the County to DASNY directly to the Trustee pursuant to an assignment from DASNY. The County under the Agreement has directed and acknowledged that, upon the failure of the County to pay any amounts due under the Agreement, its Pledged Revenues are to be paid directly to the Trustee as provided in the Act and the Memorandum of Understanding among DASNY, the Comptroller of the State, OCFS and the County (the “MOU”).

Pledged Revenues assigned and pledged by the County to DASNY consist of a sufficient portion of any and all public funds to be apportioned or otherwise made payable by OCFS to the County (the “OCFS Funds”). The determination of the amount of public funds and the apportionment of OCFS Funds by the State to OCFS are legislative acts and the State Legislature may amend or repeal the statutes relating to OCFS Funds and the formulas which determine the amount of OCFS Funds payable by OCFS to the County. Such amendments could result in the increase, decrease or elimination of the amount of the Pledged Revenues available for the payment of debt service on the Series 2022 Bonds. The financial condition of the State may affect the amount of public funds appropriated by the State Legislature to OCFS and apportioned by OCFS to the County. See “PART 5 – RAISE THE AGE INITIATIVE – Financial Condition of the State.”

Pursuant to an Assignment dated as of the date of issuance of the Series 2022 Bonds (the “Assignment”), DASNY will assign, transfer and set over to the Trustee all of DASNY’s right, title and interest in any and all moneys due to or to become due to DASNY and any and all other rights and remedies of DASNY (except for the Unassigned Rights and moneys payable to DASNY pursuant to the Unassigned Rights) under or arising out of the Agreement.

See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS – Security for the Series 2022 Bonds.” See also “Appendix B – Certain Financial and Economic Information Relating to Albany County – FINANCIAL INFORMATION”.

Raise the Age Initiative

RTA Initiative

The Raise the Age initiative (the “RTA Initiative”) is a major State juvenile justice reform initiative that, in addition to other provisions, removes 16-year old and 17-year old offenders from the adult criminal justice system and places them in age-appropriate settings. The major objectives of the RTA Initiative include: (i) ensuring a more fair and equitable justice system; (ii) providing proper services and treatment for young offenders; and (iii) lowering

recidivism rates. The State has appropriated a total of \$1.2 billion as of April 2022 to support the RTA Initiative. See “PART 5 – RAISE THE AGE INITIATIVE – The RTA Initiative”.

The RTA Legislation

The RTA legislation was enacted into law by Part WWW of Chapter 59 of the Laws of 2017 and legislation subsequently adopted. RTA legislation provides that 16-year old and 17-year old adolescent offenders must be lodged separately from adults in facilities: (i) preferably located near the offender’s home and family; (ii) designed to provide gender-responsive programs; (iii) able to provide services in small, closely supervised groups; and (iv) certified by OCFS and the State Commission of Correction (“SCOC”) as Specialized Secure Detention Facilities (“SSD Facilities”). Counties are obligated to provide facilities that are compliant with the RTA legislation. The RTA legislation provides a methodology for county capital cost reimbursement. In furtherance of the RTA legislation and in order to achieve the goals and benefits of the RTA Initiative, the Act was amended by Chapter 55 of the Laws of New York State of 2018 and Chapter 173 of the Laws of New York State of 2018 to authorize DASNY to finance or refinance the costs of acquiring, constructing, reconstructing, renovating, furnishing, equipping, and otherwise providing detention facilities certified by OCFS for counties throughout the State through the issuance of DASNY bonds and to authorize an intercept mechanism to secure those bonds issued by DASNY, and DASNY under the Act is authorized to provide construction services to such facilities. See “PART 5 – RAISE THE AGE INITIATIVE – RTA Legislation and the Act”.

Facility Improvements

The County will use a portion of the proceeds of the sale of the Series 2022 Bonds to finance a portion of the costs of the renovation and expansion of the Facility, in order to separately house adolescent offenders as required by RTA legislation, in addition to other youth outside of the RTA placement program who may also be housed in such facility and to make ancillary improvements. See “PART 4 – THE COUNTY – Facility Improvements”.

OCFS

Throughout the State, OCFS provides a system of family support, juvenile justice, youth development, child care and child welfare services that promote the safety and well-being of children and adults. OCFS is responsible for many elements of the State’s juvenile justice programs, including transformation of the juvenile justice system, providing funding for delinquency prevention and providing oversight and monitoring to local juvenile detention facilities. OCFS administers and manages residential facilities to house juvenile delinquents and adolescent and juvenile offenders placed in the custody of the Commissioner of OCFS. In such role OCFS is responsible for administering certain aspects of the RTA Initiative, including but not limited to the certification, approval of plans for and the administration of SSD Facilities to house adolescent offenders, including the Facility.

PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS

Set forth below is a narrative description of certain contractual and statutory provisions relating to the sources of payment of and security for the Bonds, including the Series 2022 Bonds, issued under the Bond Resolution. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Bond Resolution, the Series 2022 Resolution, the Agreement and the Assignment for a more complete description of such provisions. Copies of the Act, the Bond Resolution, the Series 2022 Resolution, the Agreement and the Assignment are or will be on file with DASNY and/or the Trustee. See also “Appendix C – Summary of Certain Provisions of the Financing Agreement” and “Appendix D – Summary of Certain Provisions of the Bond Resolution” for a more complete statement of the rights, duties and obligations of the parties thereto.

Payment of the Series 2022 Bonds

The Series 2022 Bonds will be special limited obligations of DASNY. The principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Series 2022 Bonds are payable solely from the Revenues pledged to the Series 2022 Bonds. The Revenues consist of the amounts paid by the County under the Agreement, including Financing Repayments and the Pledged Revenues. The Revenues and the right to receive them have been pledged by DASNY to the Trustee for the payment of the Series 2022 Bonds.

Financing Repayments are to be paid by the County on the dates and in amounts specified in the Agreement, which dates are four months prior to the dates on which principal of and interest on the Series 2022 Bonds are next due and which amounts are scheduled to be sufficient to pay principal of and interest on the Series 2022 Bonds.

A failure to pay any amount when due by the County under the Agreement may result in an intercept of the Pledged Revenues of the County, pursuant to the MOU, in an amount sufficient to pay such deficiency. Upon an occurrence of an event of default, none of DASNY, the Trustee or the Holders of the Series 2022 Bonds will have the right to accelerate the payments of the County due under the Agreement.

The Resolutions and the MOU also provide that, to the extent that (i) DASNY issues more than one Series of Bonds to finance or refinance Financings to the County, (ii) DASNY does not receive sufficient payments from the County to meet the County's payment obligations with respect to all such Series of Bonds, and (iii) the OCFS Funds are insufficient to fully make up such deficiency, then the State Comptroller will pay a proportionate amount of the OCFS Funds to the trustee for each such Series of Bonds until such deficiency is made up.

For purposes of the Act, DASNY and the County have agreed that the Agreement shall be deemed executory only to the extent of the monies appropriated and available by the County for the purpose of the Agreement, and no liability on account therefor shall be incurred beyond the amount of such monies. Neither the Agreement nor any representation by any public employee or officer creates any legal or moral obligation to request, appropriate or make available monies for purposes of the Agreement. **The Agreement does not constitute indebtedness of the County for purposes of the State Constitution or the Local Finance Law of the State. The Agreement is not a general obligation of the County. Neither the faith and credit nor the taxing power of the County are pledged to the payment of any amount due or to become due under the Agreement.**

Security for the Series 2022 Bonds

The Series 2022 Bonds will be secured by the pledge and assignment to the Trustee of all payments payable by the County under the Agreement, all funds and accounts established by the Resolutions (other than the Arbitrage Rebate Fund), and DASNY's security interest in the Pledged Revenues; provided however, that certain earnings on amounts held in the Debt Service Fund will be released to the County and prior to such release will secure the Series 2022 Bonds. There is no debt service reserve fund securing the Series 2022 Bonds. The Series 2022 Bonds are not secured by any interest in any real property (including the Facility) of the County. Pursuant to the terms of the Bond Resolution, the funds and accounts established by a Series Resolution in respect of a Series of Bonds secure only the Bonds of such Series and do not secure any other Series of Bonds issued under the Bond Resolution. See "-- Additional Bonds and Other Indebtedness" below.

Pursuant to the Assignment, DASNY will assign, transfer and set over to the Trustee all of DASNY's right, title and interest in any and all moneys due to or to become due to DASNY and any and all other rights and remedies of DASNY (except for the Unassigned Rights and moneys payable to DASNY pursuant to the Unassigned Rights) under or arising out of the Agreement.

Payments under the Agreement. DASNY has covenanted for the benefit of the Holders of the Series 2022 Bonds that it will not create or cause to be created any lien or charge upon the Revenues or its interest in the Pledged Revenues specifically pledged to secure the Series 2022 Bonds, the proceeds of the Series 2022 Bonds or the funds or accounts established under the Resolutions for the Series 2022 Bonds that is prior or equal to the pledge made by the Bond Resolution for the Series 2022 Bonds, except for the Pledged Revenues pledged and assigned by the County for which DASNY may in the future issue more than one Series of Bonds to finance or refinance Financings, which will secure all such Series of Bonds on a parity basis. See "-- Additional Bonds and Other Indebtedness" below.

Pledged Revenues. As additional security for the payment of the amounts due under the Agreement to DASNY, the County under the Agreement has assigned and pledged to DASNY the Pledged Revenues described below. The County under the Agreement has directed and acknowledged that the Pledged Revenues are to be paid directly to the Trustee by the State Comptroller as provided in the Act and the MOU upon the failure of the County to pay any amounts due under the Agreement. The County has further agreed under the Agreement that all State and local officials concerned are authorized to apportion and pay to or upon the order of DASNY all such Pledged Revenues upon the occurrence of certain events of default. The pledge and assignment will be irrevocable (in

accordance with the Act) and will continue until the date on which the liabilities of the County incurred as a result of the issuance of the Series 2022 Bonds have been paid or otherwise discharged.

Pledged Revenues consist of a sufficient portion of any and all public funds apportioned or otherwise made payable by OCFS to the County. The Act authorizes an intercept mechanism, which will be effectuated by the MOU, under which the State Comptroller shall pay the OCFS Funds assigned by the County to DASNY directly to the Trustee, in accordance with an assignment from DASNY, upon the failure of the County to pay amounts due under the Agreement. Pursuant to the MOU, DASNY is required to certify annually to the Commissioner of OCFS a statement of all amounts due from the County to DASNY. The Commissioner of OCFS, in turn, is required to include in the certificate filed with the State Comptroller, a statement showing the amount owed to DASNY by the County. Pursuant to the MOU, DASNY has agreed to notify the State Comptroller, with a copy thereof to OCFS and the State Division of the Budget (“DOB”) within five (5) Business Days after payment is due of any failure by the County to pay (a “Delinquency Notice”). Upon receipt of such Delinquency Notice, the State Comptroller agrees to pay to the Trustee the amount set forth in the Delinquency Notice from any OCFS Funds that become due and payable to the County. Until the amount set forth in the Delinquency Notice has been fully paid to the Trustee, the State Comptroller shall not pay any OCFS Funds to the County. For a description of historical amounts paid by OCFS to the County, see “PART 5 – RAISE THE AGE INITIATIVE – Historical OCFS Funds Paid to the County.”

OCFS Funds appropriated and apportioned to the County can be paid only if the State has appropriated such monies and made such monies available to OCFS for payment to the County. The availability of such monies and the timeliness of such payment could be affected by several factors including but not limited to changes in the amounts provided by law to OCFS, a delay in the adoption of the State budget in future years and the financial condition of the State. See “PART 5 – RAISE THE AGE INITIATIVE – Financial Conditions of the State.”

There can be no assurance that the amount of the Pledged Revenues pledged and assigned by the County will be sufficient to pay the amount of any deficiency in Financing Repayments payable by the County.

Additional Bonds and Other Indebtedness

In addition to the Series 2022 Bonds, the Bond Resolution authorizes the issuance of other Series of Bonds for the County and other counties and for specified purposes, including to refund Outstanding Bonds issued under the Bond Resolution. Each Series of Bonds issued under the Bond 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 (other than the Arbitrage Rebate Fund) established by the Applicable Series Resolution for such Series of Bonds.

The Resolutions and the MOU also provide that, to the extent that (i) DASNY issues more than one Series of Bonds to finance or refinance Financings to a particular county, (ii) DASNY does not receive sufficient payments from such county to meet such county’s payment obligations with respect to all such Series of Bonds, and (iii) the OCFS Funds payable to such county are insufficient to fully make up such deficiency, then the State Comptroller will pay a proportionate amount of the available OCFS Funds to the trustee for each such Series of Bonds until such deficiency is made up.

Defaults and Remedies under the Agreement

Among the events which would constitute an “event of default” under the Agreement are the failure by the County to pay the amounts due under the Agreement or to observe or perform any of the covenants, conditions or agreements contained in the Agreement which continues for the applicable grace period after notice of such failure has been given to the County. In the event any such event of default happens as a result of a failure to pay amounts due under the Agreement, DASNY may direct payment to the Trustee pursuant to the intercept mechanism authorized by the Act and implemented by the MOU of OCFS Funds payable by OCFS to the County. See “– Security for the Series 2022 Bonds” above. In the event any other event of default happens and continues, DASNY may exercise a number of remedies including any remedies available at law or in equity. **In no event may any “event of default” under the Agreement cause an acceleration of the amounts due under the Agreement.**

Default and Remedies under the Bond Resolution

An event of default under the Bond Resolution with respect to a Series of Bonds will exist if: (i) payment of the principal, Sinking Fund Installments or Redemption Price of any Bond of a Series shall not be made by DASNY when the same shall otherwise become due and payable; (ii) payment of an installment of interest on any Bond of a Series shall not be made by DASNY when the same shall become due and payable; (iii) a Determination of Taxability shall have occurred and be continuing; or (iv) DASNY shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bond Resolution, the Bonds of a Series, or the Applicable Series Resolution on the part of DASNY to be performed and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to DASNY by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than 25% in principal amount of the Outstanding Bonds of a Series, or if such default is not capable of being cured within thirty (30) days, if DASNY fails to commence within said thirty (30) days and diligently prosecute the cure thereof. Unless otherwise specified above, an event of default under the Agreement is not an event of default under the Bond Resolution.

The Bonds of a Series are not subject to acceleration upon an event of default under the Bond Resolution.

Upon the happening and continuance of any event of default under the Bond Resolution, then and in every such case, the Trustee may proceed, and, upon the written request of the Holders of not less than 25% in principal amount of the Outstanding Bonds of the Series affected thereby, will proceed (subject to the provisions of the Bond Resolution) to protect and enforce its rights and the rights of the Bondholders under the Bond 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, either for the specific performance of any covenant contained hereunder or under any Applicable Series Resolution or in aid or execution of any power granted in the Bond Resolution or in the Applicable Series Resolution or for the enforcement of any proper legal or equitable remedy as the Trustee deems most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Bond Resolution and under each Applicable Series Resolution the Trustee shall be entitled to 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 Bond Resolution or of any Applicable Series Resolution or of the Bonds of a Series, with interest on overdue payments of the principal or interest on the Bonds of a Series at the rate or rates of interest specified in such Bonds of a Series, together with any and all costs and expenses of collection and of all proceedings under the Bond Resolution and under any Applicable Series Resolution and under such Bonds of a Series, without prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds of a Series, and to recover and enforce judgment or decree against DASNY but solely as provided in the Bond Resolution, in any Applicable Series Resolution and in such Bonds of a Series, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the money adjudged or decreed to be payable.

General

The Series 2022 Bonds will not be a debt of the State nor will the State be liable thereon. DASNY has no taxing power. See "PART 8 – DASNY."

PART 3 – THE SERIES 2022 BONDS

Set forth below is a narrative description of certain provisions relating to the Series 2022 Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolutions, the Agreement and the Assignment, copies of which will be on file with the Trustee. See also "Appendix C — Summary of Certain Provisions of the Financing Agreement" and "Appendix D — Summary of Certain Provisions of the Bond Resolution" for a more complete description of certain provisions of the Series 2022 Bonds.

General

The Series 2022 Bonds will be issued pursuant to the Bond Resolution and the Series 2022 Resolution. The Series 2022 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), pursuant to DTC’s Book-Entry Only System. Purchases of beneficial interests in the Series 2022 Bonds will be made in book-entry form, without certificates. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2022 Bonds, payments of the principal and Redemption Price of and interest on the Series 2022 Bonds will be made by the Trustee directly to Cede & Co. Disbursement of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursement of such payments to the Beneficial Owners (as hereinafter defined) of the Series 2022 Bonds is the responsibility of the DTC Participants and the Indirect Participants (as hereinafter defined). If at any time the Book-Entry Only System is discontinued for the Series 2022 Bonds, the Series 2022 Bonds will be exchangeable for fully registered Series 2022 Bonds in any 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 Bond Resolution. See “PART 3 — THE SERIES 2022 BONDS — Book-Entry Only System” and “Appendix D — Summary of Certain Provisions of the Bond Resolution”.

Description of the Series 2022 Bonds

The Series 2022 Bonds are dated their date of delivery and bear interest at the rates and mature at the times set forth on the inside cover page of this Official Statement. Interest on the Series 2022 Bonds is payable each June 1 and December 1, commencing June 1, 2023.

Interest on the Series 2022 Bonds will be payable by check mailed to the registered owners or, at the option of the registered owner as of the fifteenth of the calendar month next preceding an interest payment date of at least \$1,000,000 of Series 2022 Bonds, by wire transfer to the wire transfer address within the continental United States to which the registered owner has instructed the Trustee to make such payment at least five days prior to the interest payment date. If the Series 2022 Bonds are not registered in the name of DTC or its nominee, Cede & Co., the principal and Redemption Price of the Series 2022 Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee. For a more complete description of the Series 2022 Bonds, see “Appendix D — Summary of Certain Provisions of the Bond Resolution.”

Redemption Provisions

The Series 2022 Bonds are subject to optional redemption, purchase in lieu of optional redemption, and mandatory redemption as described below.

Optional Redemption

The Series 2022 Bonds maturing on or before December 1, 2032 are not subject to optional redemption prior to maturity. The Series 2022 Bonds maturing after December 1, 2032 are subject to redemption prior to maturity on or after December 1, 2032 in any order of maturity, at the option of DASNY, as a whole or in part at any time, at a Redemption Price of 100% of the principal amount of such Series 2022 Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

Purchase in Lieu of Optional Redemption

The Series 2022 Bonds are also subject to purchase in lieu of optional redemption prior to maturity at the election of the County, with the prior written consent of DASNY, on the same terms that apply to the Series 2022 Bonds subject to optional redemption, as set forth in the Resolutions.

Mandatory Redemption

The Series 2022 Bonds maturing on December 1, 2040 are subject to redemption, in part, through application of Sinking Fund Installments upon notice given as prescribed in the Bond Resolution, at a Redemption Price equal to 100% of the principal amount of Series 2022 Bonds to be redeemed, plus accrued interest to the date of redemption. Unless none of the Series 2022 Bonds of a maturity to be so redeemed are then Outstanding and, subject to the provisions of the Bond Resolution permitting amounts to be credited to part or all of any one or more Sinking Fund Installments, there shall be due and DASNY shall be required to pay for the retirement of the Series 2022 Bonds maturing on December 1 of each of the years set forth in the following table, the amount set forth opposite such year:

**Series 2022 Term Bonds Maturing
December 1, 2040**

<u>Year</u>	<u>Amount</u>
2039	\$1,250,000
2040 [†]	1,300,000

[†]Final maturity.

There will be credited against and in satisfaction of the Sinking Fund Installment payable on any date, the principal amount of Series 2022 Bonds entitled to such Sinking Fund Installment (A) purchased with moneys in the Debt Service Fund pursuant to the Resolutions, (B) redeemed at the option of DASNY, (C) purchased by the County and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolutions. Series 2022 Bonds purchased with moneys in the Debt Service Fund will be applied against and in fulfillment of the Sinking Fund Installment of the Series 2022 Bonds so purchased payable on the next succeeding December 1. Series 2022 Bonds redeemed at the option of DASNY, purchased by the County (other than from amounts on deposit in the Debt Service Fund) and delivered to the Trustee for cancellation or deemed to have been paid in accordance with the Resolutions will be applied in satisfaction, in whole or in part, of one or more Sinking Fund Installments as the County may direct in its discretion.

Selection of Bonds to be Redeemed

In the case of redemption, DASNY will select the maturities of such Series 2022 Bonds to be redeemed. If less than all Series 2022 Bonds within a maturity are to be redeemed, as long as the Series 2022 Bonds are in book-entry form registered in the name of Cede & Co., as nominee of DTC, DTC will determine by lot the amount of the interest of each DTC Direct Participant in such maturity to be redeemed. If the Series 2022 Bonds are no longer in book-entry form registered in the name of Cede & Co., as nominee of DTC, the Series 2022 Bonds or portions thereof to be redeemed shall be selected for redemption by the Trustee, by lot, using such method of selection as the Trustee shall consider proper in its discretion.

Notice of Redemption

The Trustee is to give notice of the redemption of the Series 2022 Bonds in the name of DASNY, by mail, postage prepaid, not less than 20 days nor more than 45 days prior to the redemption date to each registered owner of any Series 2022 Bonds that are to be redeemed, at such person's address, if any, appearing upon the registry books of DASNY or if the Bonds are book-entry, by giving notice in accordance with the operational procedures of DTC and to EMMA. Any notice of redemption given which states that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price of such Series 2022 Bonds or upon the satisfaction of any other condition, may be rescinded at any time before payment of such Redemption Price if any such condition so specified is not satisfied. Upon giving such notice, the Trustee shall promptly certify to DASNY that it has mailed or caused to be mailed such notice to the owners of the Series 2022 Bonds to be redeemed in the manner provided in the Bond Resolution. Such certificate shall be conclusive evidence that such notice was given in the manner required in the Bond Resolution. The failure of any owner of a Series 2022 Bond to be redeemed to receive notice of redemption will not affect the validity of the proceedings for the redemption of such Series 2022 Bond.

If on the redemption date, moneys for the redemption of the Series 2022 Bonds to be redeemed, together with interest thereon to the redemption date, are held by the Trustee so as to be available for payment of the Redemption Price, and if notice of redemption has been mailed, then interest on the Series 2022 Bonds of such maturity will cease

to accrue from and after the redemption date and such Series 2022 Bonds will no longer be considered to be Outstanding.

Book-Entry Only System

DTC will act as securities depository for the Series 2022 Bonds. The Series 2022 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 2022 Bond certificate will be issued for each maturity of the Series 2022 Bonds, each in the aggregate principal amount of such maturity of such Series, 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, as amended. 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"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2022 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 2022 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 2022 Bonds, except in the event that use of the book-entry system for the Series 2022 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022 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 2022 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 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022 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 2022 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 2022 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 2022 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 2022 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 2022 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2022 Bonds, giving any notice permitted or required to be given to registered owners under the Bond Resolution, registering the transfer of the Series 2022 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 2022 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 2022 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 services as depository with respect to the Series 2022 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 2022 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 2022 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 2022 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 DASNY 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 2022 BONDS.**

So long as Cede & Co. is the registered owner of the Series 2022 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2022 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 2022 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 2022 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.

NONE OF DASNY, THE TRUSTEE OR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR 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 2022 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 THE SERIES 2022 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 2022 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2022 BONDS; OR (VI) ANY OTHER MATTER.

Principal and Interest Requirements

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2022 Bonds during each twelve-month period ending December 1 of the years shown.

12-Month Period Ending December 1,	Principal of the Series 2022 Bonds	Interest on the Series 2022 Bonds	Total Debt Service on the Series 2022 Bonds
2023	\$ 615,000	\$ 734,971	\$1,349,971
2024	600,000	749,750	1,349,750
2025	630,000	719,750	1,349,750
2026	660,000	688,250	1,348,250
2027	695,000	655,250	1,350,250
2028	730,000	620,500	1,350,500
2029	765,000	584,000	1,349,000
2030	805,000	545,750	1,350,750
2031	845,000	505,500	1,350,500
2032	885,000	463,250	1,348,250
2033	930,000	419,000	1,349,000
2034	980,000	372,500	1,352,500
2035	1,025,000	323,500	1,348,500
2036	1,080,000	272,250	1,352,250
2037	1,135,000	218,250	1,353,250
2038	1,190,000	161,500	1,351,500
2039	1,250,000	102,000	1,352,000
2040	1,300,000	52,000	1,352,000

PART 4 – THE COUNTY

General

The County was incorporated in 1683. The County is home to the State capital and has a population of approximately 314,848. It is approximately 135 miles directly north of New York City and has a total area of approximately 533 square miles. The County contains three cities – Albany, Cohoes and Watervliet – and ten towns. The cities have well equipped fire and police departments and the towns are served by many individual fire districts, volunteer fire companies and town police departments. The County’s transportation needs are served by a network of

excellent highways, including the New York State Thruway, Interstate Highways 90 and 87 and a connecting link to the Massachusetts Turnpike; major bus lines; three railroads; Albany International Airport; the Hudson River; the New York State Barge Canal and the Port of Albany. Educational services for County residents are provided by private schools and school districts. See “Appendix B – Certain Financial and Economic Information Relating to Albany County” for more information on the County.

Facility Improvements

The County will use a portion of the proceeds of the sale of the Series 2022 Bonds to finance a portion of the costs of the renovation and expansion of the Facility, in order to separately house adolescent offenders as required by RTA legislation, in addition to other youth outside of the RTA placement program who may also be housed in such facility and to make ancillary improvements.

The Facility is owned by the County, administered by the Capital District Youth Center, Inc. (“CDYCI”), and operated by Berkshire Farm Center and Services for Youth. The County leases the land and improvements to CDYCI pursuant to a Lease Agreement that is in effect through December 31, 2044.

The Facility is a multi-county secure youth detention center. The approximately 30,000 square foot single story building sits on a constrained 4.16-acre site. The Facility includes an approximately 2,380 square foot administration area, an approximately 9,240 square foot education area, an approximately 4,355 square foot secure housing support area, and three housing pods, consisting of an approximately 4,140 square foot eight bed pod, an approximately 760 square foot three bed pod, and an approximately 4,005 square foot thirteen bed pod. The three housing pods are connected by the secure housing support area which includes security, kitchen, dining, library and intake. The secure housing support area is in the back of the Facility, enabling teachers and additional staff to work in the administration and education areas without entering the housing area.

The renovation and expansion of the Facility includes the following additions and improvements: (i) a secured housing wing providing 12 additional beds (two 6 unit areas) and supporting program space; (ii) an exam room to serve as a relocated nurse’s suite; (iii) a vehicle sallyport that will expand and provide sufficient space for intake procedures; (iv) an additional administrative space including a large conference and break room that will provide space for secured visitation; (v) relocation of the medical services area; (vi) conversion of a current medical unit into a classroom; (vii) installation of a fire suppression system; (viii) replacement of bedroom doors and installation of additional secure access/egress from housing units; (ix) addition of a full coverage security camera system; (x) upgrading central control unit which controls access and egress throughout the Facility; (xi) expansion of the parking area; (xii) expansion of the usable recreation space; (xiii) hardening the secure perimeter; and (xiv) installation of additional security monitoring features. The existing square footage of the Facility is approximately 30,000 and the above listed additions and improvements to the Facility total approximately 10,000 square feet. The total square footage of the Facility will increase to approximately 40,000 square feet.

OCFS and DOB Approval

The County has received OCFS concept approval for the plan in connection with the Facility. DOB has provided written approval for the plan in connection with the Facility. See “PART 5 — RAISE THE AGE INITIATIVE— New York State Office of Children and Family Services — Approval Process of Capital Improvements by OCFS and DOB” and “— State Reimbursement of RTA Costs”.

Facility Improvement Reimbursement Process

Counties are eligible for State reimbursement of 49% for non-RTA capital expenditures and 100% for RTA capital expenditures. For non-RTA capital expenditures counties submit an email request for reimbursement to OCFS (State and local youth program unit in the Bureau of Financial Operations), which such request must contain the dollar amount of the requested reimbursement and any accompanying supporting documentation. After approvals are provided, the claim is processed in the central accounts payable system, and payment is made to such county electronically. To be eligible for 100% State reimbursement for RTA capital expenditures a county must have the expenditure included in its approved comprehensive fiscal plan for RTA and such county must be compliant with the State property tax cap (see “PART 5—RAISE THE AGE INITIATIVE— New York State Office of Children and Family Services —State Reimbursement of RTA Costs”) or have an approved financial hardship waiver. For 100%

State reimbursement such county must also submit a copy of the approved comprehensive fiscal plan with the request for reimbursement. The claim review and approval process and subsequent processing and payment for RTA capital expenditures is the same as described above.

PART 5 – RAISE THE AGE INITIATIVE

RTA Legislation and the Act

The RTA legislation was enacted into law by Part WWW of Chapter 59 of the Laws of New York State of 2017. The law provides that 16-year old and 17-year old adolescent offenders must be lodged separately from adults in facilities: (i) preferably located near the offender’s home and family; (ii) designed to provide gender-responsive programs; (iii) able to provide services in small, closely supervised groups; and (iv) certified by OCFS and SCOC as SSD Facilities. The RTA legislation obligates counties in the State (including the County) to provide RTA compliant detention facilities and provides a methodology for county reimbursement of capital costs relating to the cost of RTA compliant detention facilities. In furtherance of the RTA legislation and in order to achieve the goals and benefits of the RTA Initiative, the Act was amended by Chapter 55 of the Laws of New York State of 2018 and Chapter 173 of the Laws of New York State of 2018 to authorize DASNY to finance or refinance the costs of acquiring, constructing, reconstructing, renovating, furnishing, equipping, and otherwise providing detention facilities certified by OCFS for counties throughout the State through the issuance of DASNY bonds and to authorize an intercept mechanism to secure those bonds issued by DASNY, and DASNY under the Act is authorized to provide construction services to such facilities.

The RTA Initiative

The RTA Initiative is a major New York juvenile justice reform initiative that, in addition to other provisions, removes 16-year old and 17-year old offenders from the adult criminal justice system and places them in age-appropriate settings. Major objectives of the RTA Initiative include ensuring a more fair and equitable justice system, providing proper services and treatment for young offenders and lowering recidivism rates. As of April 2022 the State has appropriated a total of \$1.2 billion statewide in support of the RTA Initiative.

The RTA Initiative is being implemented by a team of multiple State agencies, including, OCFS, the State Division of Criminal Justice Services, SCOC, the State Department of Corrections and Community Services and DOB. This multi-agency team has worked closely with the State Office of Court Administration and is providing guidance to counties for their planning and reimbursement for RTA compliant detention facilities.

The RTA Initiative is funded through an annual appropriation in the Aid to Localities Appropriation Bill. The State Fiscal Year 2022-23 appropriation to the RTA Initiative operating costs is \$250 million. Prior fiscal years’ appropriations were as follows:

- 2021-22: \$250,000,000
- 2020-21: \$250,000,000
- 2019-20: \$200,000,000
- 2018-19: \$150,000,000
- 2017-18: \$110,000,000

New York State Office of Children and Family Services

OCFS serves the State’s public by promoting the safety, permanency and well-being of the State’s children, families and communities. OCFS achieves results by setting and enforcing policies, building partnerships, and funding and providing quality services.

Agency Overview

OCFS is dedicated to improving the integration of services for the State’s children, youth, families and vulnerable populations; to promoting their development; and to protecting them from violence, neglect, abuse and abandonment. OCFS provides a system of family support, juvenile justice, youth development, child care and child welfare services that promote the safety and well-being of children and adults. Among the operating principles across

all program areas are that services should be developmentally appropriate, family-centered and family-driven, community-based, locally responsive, and evidence and outcome based.

OCFS is responsible for programs and services involving foster care, adoption and adoption assistance, child protective services including operating the Statewide Central Register for Child Abuse and Maltreatment, preventive services for children and families, services for pregnant adolescents, and protective programs for vulnerable adults. OCFS is also responsible for the functions performed by the State Commission for the Blind and coordinates State government response to the needs of Native Americans on reservations and in communities.

OCFS also oversees positive youth development programming, services for youth at risk of or survivors of child trafficking, and services for runaway and homeless youth by working with the local youth bureaus and departments of social services.

OCFS provides oversight and monitoring of regulated child care (family day care, group family day care, school-age child care and day care centers outside of New York City), legally exempt child care, child care subsidies, child care resource and referrals, and the Advantage After School Program, and also provides services and programs for infants, toddlers, pre-schoolers, and school-age children and their families.

OCFS is responsible for many elements of the State's juvenile justice programs, including transformation of the juvenile justice system, providing funding for delinquency prevention and providing oversight and monitoring to local juvenile detention facilities. OCFS administers and manages residential facilities for juvenile delinquents and adolescent and juvenile offenders placed in the custody of the Commissioner of OCFS.

OCFS operates a residential care system consisting of a total of 10 facilities comprised of three secure facilities, six limited-secure facilities and one non-secure facility, for youth placed in the custody of OCFS by family and criminal courts. In addition, OCFS operates Community Multi-Services Offices that are responsible for provision of services to the youth and family from day one of OCFS placement.

The Executive Office of OCFS, encompassing the Office of the Commissioner, the Office of the Executive Deputy Commissioner, the NYC Executive Office, the Office of the Ombudsman, and Executive Services, provides overall leadership, management, coordination, and administration of agency operation and mission-driven priorities.

OCFS divides its responsibilities into two main areas: program and support. The program divisions/offices include: Division of Child Care Services, Division of Child Welfare and Community Services, Division of Juvenile Justice and Opportunities for Youth, Division of Youth Development and Partnerships for Success, and the Commission for the Blind. The support divisions/offices include: Division of Administration, Division of Legal Affairs, Office of Communications, Office of Strategic Planning and Policy Development, and the Office of Special Investigations.

OCFS maintains regional offices in Buffalo, Rochester, Syracuse, Albany, Valhalla, Long Island, and New York City to support agency programs and partnerships with stakeholders and providers.

OCFS' Supervisory Role in RTA

OCFS is responsible for certification, oversight and monitoring of juvenile detention programs within the State. These juvenile detention programs are administered at the county level and operate pursuant to regulations established by OCFS. The RTA legislation mandated OCFS, in consultation with SCOC, to jointly regulate, certify, inspect and supervise the new SSD Facilities to house adolescent offenders.

OCFS promulgated regulations, in consultation with SCOC, for the certification and operation of SSD Facilities and secure detention facilities which house youth within the RTA placement program and other youth outside of the RTA placement program. The regulations provide facilities with the necessary parameters to operate secure, developmentally appropriate, youth-focused SSD Facilities. The regulations address the minimum requirements to construct, staff, and certify SSD Facilities, as well as operational and programmatic requirements that include but are not limited to specific requirements for sentenced youth, increased staffing ratios and approaches, behavior management, rapid response staffing and training. All SSD Facilities are co-located with secure detention

facilities in the same building. Such facilities house both youth within the RTA placement program and youth outside of the RTA placement program.

OCFS staff, in partnership with SCOC, conduct site visits to all SSD Facilities periodically to assess physical plant needs, staffing patterns, and programmatic offerings.

OCFS provides guidance on operational and programmatic policies in place at SSD Facilities that include such subjects as searches of youth, restraint of youth, supervision of youth, behavior management, development of rapid response teams, and abuse/neglect reporting.

OCFS modernized its approach to claiming and reimbursement to reduce risk and improve timeliness of reimbursement. OCFS expanded the Juvenile Detention Automated System “to track and claim for youth”, to include SSD Facilities, and to improve incident reporting and provided extensive training to the field.

Services at SSD Facilities

SSD Facilities for housing youth with respect to the RTA Initiative are required to provide a wide array of services to the youth in their care and custody. These services include but are not limited to education, including GED preparation, vocational supports, mental health, medical care and recreation. The RTA Initiative requires SSD Facilities to increase their capacity and to upgrade SSD Facilities to respond to the needs of older youth who are housed in SSD Facilities for sometimes a lengthy pre-trial period or after adjudication. SSD Facilities are expected to be equipped to support youth’s learning and growth through therapeutic approaches, updated and trauma-informed design and materials, and to allow for a more varied array of services and opportunities for youth and young adults. While SSD Facilities will be safe and secure, they are expected to focus on creating opportunities for youth to learn skills, obtain knowledge and prepare for their next stage of life. SSD Facilities will be developmentally-appropriate and will include features such as natural light, the use of color and sound dampening rather than jail-like conditions that adults often face.

Recent Operations and Events at the Facility

Berkshire Farm Center and Services for Youth, founded in 1886, is the not-for-profit operator of the Facility (the “Facility Operator”). On February 18, 2022, OCFS, as the State agency with oversight authority over the operations of the Facility, notified the Facility Operator that its operations of the Facility were deficient in several areas including pandemic-related staffing shortages. OCFS issued a Facility Performance Improvement Plan (“PIP”). PIPs identify regulatory or practice concerns that impact the safe, secure and supportive operations of a program and are routine responses to regulatory concerns by the oversight agency. The PIP requires the Facility Operator to provide a plan to address all identified concerns and to implement such plan under the oversight of OCFS.

OCFS subsequently issued a letter of concern to the Facility Operator on October 21, 2022 identifying outstanding regulatory issues and the Facility Operator submitted an updated plan to OCFS on October 26, 2022. The Facility Operator is working with OCFS to implement the updated plan.

The Facility, as with other youth detention facilities in the State, has been the subject of reported incidents of abuse and neglect. The Facility Operator has a well-established internal compliance plan and review process for investigation of such incidents administered by an experienced independent internal compliance officer who reports directly to the Facility Operator’s board of directors. Pursuant to the Facility Operator’s board of directors approved internal compliance review plan, all incidents are reviewed by the independent internal compliance officer. Any incident substantiated by the State Justice Center for the Protection of People with Special Needs (the “Justice Center”) is assigned a Category Rating from 1 to 4 based on the severity of the reported incident, with a Category 1 Rating assigned to the most serious reported incidents. Except as described below, over the last five years, there have been twenty-three (23) substantiated incidents at the Facility consisting of one Category 1 incident (involving sexual abuse) resulting in the termination of a Facility employee, five (5) Category 2 incidents (3 involving improper therapeutic crisis intervention restraints, 1 involving neglect of resident oversight, and 1 involving failure to respond to medical needs) resulting in retraining of the employee regarding the neglect of resident oversight, the termination of the nurse related to the non-response to medical needs, and either termination of the employee or retraining of the employee associated with the improper restraints, and seventeen (17) Category 3 incidents (involving less serious abuse or

neglect) resulting in the retraining of Facility employees involved in such incidents. The independent internal compliance officer reviews all substantiated incidents directly with the Facility Operator's board of directors.

On October 27, 2022 an individual detained at the Facility died. The individual's cause of death has not yet been determined. The matter is under investigation by the Town of Colonie Police Department, the Justice Center and SCOC. The Town of Colonie Police Department stated that they do not suspect foul play or violence.

The timetable for completion of the various investigations and their respective determinations regarding the cause or causes of and circumstances surrounding the individual's death are not known at this time. It is expected that the results and findings of such investigations will be made available in the future as such investigations proceed. The outcome of the investigations may result in further investigations or inquiries and additional requirements from OCFS and/or SCOC for the Facility Operator to address.

Notwithstanding the results of the foregoing investigations, nor any future incident that may occur at the Facility, the County will be obligated to make payments under the Agreement sufficient to pay the principal, Redemption Price and interest due on the Series 2022 Bonds and the Series 2022 Bonds will continue to be secured by the pledge and assignment by the County to DASNY of the Pledged Revenues consisting of OCFS Funds. The County's obligation to make payments under the Agreement is subject to the limitations described in the last paragraph under "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS – Payment of the Series 2022 Bonds."

State Reimbursement of RTA Costs

The State Division of Criminal Justice Services ("DCJS"), and OCFS utilize a comprehensive county financial planning process to implement the State's commitment to fund the incremental costs associated with implementing the RTA Initiative. The funding supports both the State and local cost for comprehensive diversion, probation, detention, and programming services for youth. A financial planning tool and accompanying guidance is issued annually to each county with additional assistance from DCJS and OCFS upon plan submission, prior to DOB review and approval.

The State reimburses a county for 100% of RTA costs if property taxes levied by such county do not exceed the annual property tax cap as codified by Section 3-c of the General Municipal Law (the "Tax Levy Limit Law"). The Tax Levy Limit Law restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a municipality (including counties) in a particular year without the municipal governing body enacting a local law authorizing the property tax levy to exceed the property tax cap. Pursuant to the Tax Levy Limit Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy, adjusted for certain exemptions, without such local law. See "Appendix B – Certain Financial and Economic Information Relating to Albany County – REAL PROPERTY TAXES – *Tax Levy Limit Law*". In the event a county exceeds the property tax cap it can still receive 100% reimbursement of RTA costs upon demonstrating financial hardship.

In order to receive 100% reimbursements of RTA costs for a project, a county must demonstrate compliance with the property tax cap or financial hardship at the time the plan in connection with the project is approved by OCFS and DOB prior to the issuance of bonds by DASNY. It is anticipated that this demonstration of property tax cap compliance or fiscal hardship at the time of approval by OCFS and DOB will satisfy the annual tax cap compliance requirement. See "Appendix B – Certain Financial and Economic Information Relating to Albany County – REAL PROPERTY TAXES – *Tax Levy Limit Law*" for more information with respect to the County and the Tax Levy Limit Law.

Approval Process of Capital Improvements by OCFS and DOB

Detention facilities are required to submit all preliminary project descriptions, design and construction plans for capital improvements to OCFS and SCOC for approval; OCFS and DOB are responsible for approving the final scope.

Once OCFS approves a plan in connection with a capital project in concept, documents describing the project plan are submitted to DOB for its review and approval of the plan in connection with the project. Once DOB provides

written approval of a plan in connection with a project, OCFS sends the applicable county a letter informing such county that the plan in connection with the project is approved for design and discussions begin with OCFS, SCOC and such county. Each phase of the project from design to bid to construction may be vetted with DOB as needed to adjust the costs.

OCFS Funds Subject to Intercept

As additional security for the payment of the amounts due under the Agreement to DASNY, the County under the Agreement has assigned and pledged to DASNY any and all public funds apportioned or otherwise made payable by OCFS to the County. The Act authorizes an intercept mechanism, which will be effectuated by the MOU, under which the State Comptroller shall pay the OCFS Funds assigned by the County to DASNY directly to the Trustee, in accordance with an assignment from DASNY, upon the failure of the County to pay any amounts due under the Agreement. Such OCFS Funds are described below.

Annual Funds

Annual funds include among others: (i) Foster Care Block Grant; (ii) Social Services Block Grant; and (iii) Independent Living Allocations.

The Foster Care Block Grant provides State reimbursement for the cost of foster care services provided by the counties. These services include: (i) care, maintenance, supervision and administrative costs; (ii) tuition costs for foster children placed in certain State residential treatment facilities, State child care institutions and, in certain instances, out-of-state residential treatment facilities; and (iii) provision and administration of the Kinship Guardianship Assistance Program, including assistance payments to relative and successor guardians. The Foster Care Block Grant is paid to counties throughout the year and reconciled on an annual basis. The 2022-23 State fiscal year allocation of the Foster Care Block Grant is \$391 million.

The Social Services Block Grant is federal funding provided to the State for programs that (i) reduce dependency and promote self-sufficiency; (ii) protect children and adults from neglect, abuse and exploitation; and (iii) help individuals who are unable to take care of themselves to either stay in their homes or find the best institutional living arrangement. The Social Services Block grant is paid to counties on an annual basis and the 2022-23 State fiscal year allocation is \$92 million.

Independent Living Allocations are provided annually for independent living services expenditures to help current and former foster care recipients achieve self-sufficiency. The Independent Living Allocations are paid to counties on an annual basis and the 2022-23 State fiscal year allocation is \$11 million.

Reimbursement Funds

The State, through OCFS, will reimburse counties for portions of certain county expenditures. These include (i) Child Welfare Services funding to support child protective services, preventive services, independent living, aftercare services, adoption administration and adoption services; (ii) adoption subsidies paid to adoptive parents; and (iii) Adult Protective and Domestic Violence Services funding.

Counties are eligible to receive 62% State reimbursement of eligible Child Welfare Services funding. The State reimbursement is paid throughout the year and reconciled on an annual basis. The 2022-23 State fiscal year disbursement of Child Welfare Services funding is \$678 million.

Counties are eligible to receive 62% State reimbursement of eligible adoption subsidies paid to adoptive parents. The State reimbursement is disbursed to the counties on a monthly basis. The 2022-23 State fiscal year disbursement of adoption subsidies paid to adoptive parents is \$117 million.

Counties are eligible to receive 49% State reimbursement of eligible Adult Protective and Domestic Violence Services funding. The State reimbursement is advanced annually and reconciled on an annual basis. The 2022-23 State fiscal year disbursement of Adult Protective and Domestic Violence Services funding is \$106 million.

Historical OCFS Funds Paid to the County

The following table illustrates the annual payments (on a cash basis) to the County by OCFS for the County fiscal years ended December 31, 2012 through 2021.

Historical Annual OCFS Funds (Cash Basis)

<u>Fiscal Year Ended</u> <u>Dec. 31,</u>	<u>OCFS Funds Paid to</u> <u>County</u>
2012	\$33,267,943
2013	27,958,280
2014	21,494,807
2015	32,307,878
2016	43,453,807
2017	41,765,049
2018	29,655,227
2019	31,903,693
2020	30,457,091
2021	37,752,842

The following table illustrates the monthly payments (on a cash basis) to the County by OCFS for the County fiscal year ended December 31, 2021.

County FY 2021 Monthly OCFS Funds (Cash Basis)

<u>Month</u>	<u>OCFS Funds Paid to</u> <u>County</u>
January	\$1,760,236
February	2,237,096
March	5,459,188
April	1,847,769
May	4,740,245
June	3,186,971
July	5,517,166
August	3,172,274
September	1,580,298
October	4,558,669
November	982,942
<u>December</u>	<u>2,709,988</u>
Total	\$37,752,842

Debt Service Coverage

The following table sets forth (1) total OCFS Funds paid to the County in the four months preceding each of June 1, 2021 and December 1, 2021, which would be considered interceptable aid under the MOU, (2) maximum Calculated Debt Service on the Series 2022 Bonds and (3) resulting debt service coverage on the Series 2022 Bonds. There can be no assurance that total OCFS Funds in each year during the term of the Series 2022 Bonds will not be less than OCFS Funds received in 2021.

Interceptable OCFS Aid in FY 2021

	<u>June</u>	<u>December</u>
Interceptable OCFS Aid	\$14,284,297	\$10,294,183
Maximum Calculated Semi-Annual Debt Service	\$374,875	\$1,326,000
Semi-Annual Debt Service Coverage	38.1x	7.8x

Financial Condition of the State

The RTA Initiative is funded through an annual appropriation in the Aid to Localities Appropriation Bill. There can be no assurance that the State appropriation for OCFS Funds will be continued in future years, either pursuant to existing methodologies or in any form whatsoever. State aid appropriated and apportioned for the RTA Initiative can be paid only if the State has such monies available for such payment.

The amount of OCFS Funds available for the RTA Initiative can vary from year to year and is dependent in part upon the financial condition of the State. In addition, the availability of OCFS Funds and the timeliness of payment of OCFS Funds to the County could be affected by a delay in the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. The State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State's 2022-23 Enacted Budget was adopted on April 9, 2022. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of OCFS Funds to the County.

The State's 2021-22 Enacted Budget included, and the State's 2022-23 Enacted Budget includes, significant amounts of federal funding. The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, the COVID-19 pandemic, severe weather events and other disasters. Current federal aid projections, and the assumptions on which they rely, are subject to revision.

In addition to the potential fiscal impact of policies that may be proposed and adopted by the federal administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State funds, including the County.

PART 6 – THE PLAN OF FINANCE

A portion of the proceeds of the Series 2022 Bonds will be used to provide for the (i) renovation and expansion of the Facility, in order to separately house adolescent offenders as required by RTA legislation, in addition to other youth outside of the RTA placement program who may also be housed in such facility and to make ancillary improvements; and (ii) payment of the costs of issuance of the Series 2022 Bonds. In addition, the County has previously issued general obligation bonds of the County to provide proceeds of approximately \$6.2 million for the renovation and expansion of the Facility, of which approximately \$300,000 has already been so expended.

PART 7 – ESTIMATED SOURCES AND USES OF BOND PROCEEDS

Estimated sources and uses of Series 2022 Bond proceeds are as follows:

Estimated Sources of Bond Proceeds	Series 2022 Bonds
Principal Amount.....	\$16,120,000
Net Premium.....	<u>1,796,552</u>
Total Estimated Sources	\$17,916,552
Estimated Uses of Bond Proceeds	
Deposit to Project Account	\$16,957,867
Costs of Issuance.....	635,729
Underwriters’ Discount.....	<u>322,956</u>
Total Estimated Uses	\$17,916,552

PART 8 – 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 Department of Health, the New York State Education Department , the Office of Mental Health, the Office of People with Developmental Disabilities, the Office of Addiction Services and Supports, 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. As of September 30, 2022, DASNY had approximately \$56.5 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, which are 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 pursuant to Section 103 of the Internal Revenue Code of 1986, as amended. All DASNY’s outstanding bonds and notes, both fixed and variable rate, are special limited 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 limited obligations were issued. DASNY has no obligation to pay its special limited 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 limited obligations are solely dependent upon payments made by the DASNY client for which the particular special limited 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 475 employees located in four main offices (Albany, New York City, Buffalo and Rochester) and at approximately 39 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.

The Governor 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 select 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 term expired on March 31, 2016 and by law he continues to serve until a successor shall be chosen and qualified.

GERARD ROMSKI, ESQ., *Vice-Chair*, Mount Kisco.

Gerard Ronski was reappointed as a Member of DASNY by the Temporary President of the State Senate on May 9, 2016. 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. Romski is also of counsel to the New York City law firm of Rich, Intelisano & Katz, LLP. Mr. Romski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

BERYL L. SNYDER, J.D., *Secretary*, 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 expired on August 31, 2016 and by law she continues to serve until a successor shall be chosen and qualified.

WELLINGTON Z. CHEN, Queens.

Wellington Z. Chen was appointed as a Member of DASNY by the Governor on June 20, 2018. Mr. Chen is the Executive Director of the Chinatown Partnership Development Corporation. In this capacity, he leads the Chinatown Partnership in implementing initiatives in infrastructure, post 9/11 rebuilding and public space improvements in a comprehensive effort to improve the environmental and the business conditions. He is a graduate of the School of Architecture and Environmental Studies at The City College of New York. Mr. Chen's term expired on March 31, 2020 and by law he continues to serve until a successor shall be chosen and qualified.

LISA A. GOMEZ, Pelham.

Lisa A. Gomez was appointed as a Member of DASNY by the Governor on June 2, 2022. Ms. Gomez is CEO of L+M Development Partners, LLC (L+M). She previously served as Chief Operating Officer. L+M develops, builds and manages affordable housing with local agencies such as the New York City Department of Housing Preservation and Development and the New York City Housing Authority. Prior to joining L+M, Ms. Gomez held positions in the Bloomberg and Dinkins Administrations as well as with JP Morgan Chase & Co. and Silverstein Properties. Ms. Gomez has a B.A. from Louisiana State University.

JOAN M. SULLIVAN, Slingerlands.

Joan M. Sullivan was appointed as a Member of DASNY by the New York State Comptroller on March 26, 2019. Ms. Sullivan is President of On Wavelength Consulting LLC, a firm that assists governmental entities with development of public procurements and private companies with the preparation of effective responses to government solicitations. She possesses over 40 years of experience working in and for the government of New York State, including an expansive career at the NYS Office of State Comptroller where she last served as Executive Deputy Comptroller before accepting an appointment as Executive Director of The NYS Forum, Inc. Ms. Sullivan holds a Bachelor of Arts degree in Business Administration (Accounting) from Siena College.

JANICE McKINNIE, Buffalo.

Janice McKinnie was appointed as a Member of DASNY by the Speaker of the Assembly on June 12, 2020. Ms. McKinnie is the Executive Director of True Community Development Corporation where she has led various housing rehabilitation and development projects and has formed strategic alliances with local and regional community groups to promote affordable housing and economic growth within the area of Buffalo. She is also the owner of Developments By JEM, LLC, a construction and project development consulting firm and a NYS certified M/WBE business. Ms. McKinnie is a graduate of the State University College of Buffalo and holds a Master's degree in organizational leadership from Medaille College.

BETTY A. ROSA, *Commissioner of Education of the State of New York*, Bronx; *ex-officio*.

Dr. Betty A. Rosa was appointed by the Board of Regents to serve as Commissioner of Education and President of the University of the State of New York effective February 8, 2021. Previously, Dr. Rosa assumed the

role of Interim Commissioner of Education and President of the University of the State of New York from August 14, 2020 through February 7, 2021. Dr. Rosa had served as a member of the Board of Regents and as Chancellor thereof from March 2016 through August 2020. She started her career with the NYC Department of Education as a paraprofessional and later served as a teacher, assistant principal, principal in the Bronx and, upon appointment, assumed the responsibilities of Superintendent of Community School District 8 then Senior Superintendent of the Bronx. Dr. Rosa is a nationally recognized education leader who has over 30 years of instructional and administrative experience with an expertise in inclusive education, cooperative teaching models, student achievement and policy implementation. She received a B.A. in psychology from the City College of New York and an Ed. M. and Ed. D. in Administration, Planning and Social Policy from Harvard University as well as two other Master of Science in Education degrees, one in Administration and Supervision and the other in Bilingual Education from the City College of New York and Lehman College respectively.

ROBERT F. MUJICA, JR., *Budget Director of the State of New York, Albany; ex-officio.*

Robert F. Mujica Jr. was appointed Director of the Budget by the Governor and began serving on January 14, 2016. He 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. Prior to his appointment, Mr. Mujica was Chief of Staff to the Temporary President and Majority Leader of the Senate and concurrently served as the Secretary to the Senate Finance Committee. For two decades, he advised various elected and other government officials in New York on State budget, fiscal and policy issues. Mr. Mujica received his Bachelor of Arts degree in Sociology from Brooklyn College at the City University of New York. He received his Master's degree in Government Administration from the University of Pennsylvania and holds a Juris Doctor degree from Albany Law School.

MARY T. BASSETT, MD, MPH., *Commissioner of Health of the State of New York, Albany; ex-officio.*

Mary T. Bassett, MD, MPH., was appointed Commissioner of Health on December 1, 2021. She previously served as Director of the François-Xavier Bagnoud (FXB) Center for Health and Human Rights at Harvard University and FXB Professor of the Practice of Health and Human Rights in the department of Social and Behavioral Sciences at the Harvard T.H. Chan School of Public Health. Prior to that, she served as Commissioner of the New York City Department of Health and Mental Hygiene, Director for the Doris Duke Charitable Foundation's African Health Initiative and Child Well-Being Prevention Program; and as Deputy Commissioner of Health Promotion and Disease Prevention at the New York City Department of Health and Mental Hygiene. Early in her career, Dr. Bassett served on the medical faculty at the University of Zimbabwe and went on to serve as Associate Director of Health Equity at the Rockefeller Foundation's Southern Africa Office. After returning to the United States, she served on the faculty of Columbia University, including as Associate Professor of Clinical Epidemiology in the Mailman School of Public Health. Dr. Bassett received a B.A. in History and Science from Harvard University, an M.D. from Columbia University's College of Physicians and Surgeons, and an M.P.H. from the University of Washington.

The principal staff of DASNY are as follows:

REUBEN R. McDANIEL, III is the President and chief executive officer of DASNY, responsible for the overall management of DASNY's administration and operations. Mr. McDaniel possesses more than 30 years of experience in financial services, including public finance, personal wealth management, corporate finance and private equity. During his career in public finance, he participated in more than \$75 billion in tax-exempt bond issuances throughout the country. He has also managed investment portfolios and business assets for a variety of professionals. He previously served as Chair of the Atlanta Board of Education for Public Schools. Mr. McDaniel holds an undergraduate degree in Economics and Mathematics from the University of North Carolina at Charlotte and a Master of Business Administration from the University of Texas at Austin.

PAUL G. KOOPMAN is the Vice President of DASNY and assists the President in the administration and operation of DASNY. Mr. Koopman joined DASNY in 1995 managing the Accounts Payable and Banking and Investment Units followed by management positions in the Construction Division including Managing Senior Director of Construction where he was the primary relationship manager for some of DASNY's largest clients and provided

oversight of DASNY's construction administration functions. Most recently, Mr. Koopman served as Managing Director of Executive Initiatives of DASNY where he worked closely with executive staff on policy development, enterprise risk management, and strategic planning. His career in public service began in 1985 with the NYS Division of the Budget, and then continued as Chief Budget Analyst for the New York State Facilities Development Corporation. A graduate of the Rockefeller College of Public Affairs, he holds a Master of Arts degree in Public Administration with a Public Finance concentration, and a Bachelor of Arts degree in Political Science from the State University of New York, University at Albany.

KIMBERLY A. ELLIS is the Chief Financial Officer and Treasurer of DASNY. As Chief Financial Officer and Treasurer, Ms. Ellis is responsible for supervising DASNY's investment program, general accounting, accounts payable, accounts receivable, financial reporting functions, payroll and information services, as well as the development and implementation of financial policies, financial management systems and internal controls for financial reporting. Prior to her appointment to Chief Financial Officer and Treasurer, Ms. Ellis served in numerous senior positions within the Finance Division of DASNY, including as Deputy Financial Officer and Assistant Director of Investments, where she had direct involvement with the management of DASNY's financial operations, including DASNY's overall investment portfolio and the coordination and development of DASNY's annual operating budget and capital plans. Ms. Ellis holds a Bachelor of Science degree in Accounting from the State University of New York at Buffalo.

R. NADINE FONTAINE is General Counsel to DASNY. Ms. Fontaine is responsible for all legal services including legislation, litigation, contract matters, and the legal aspects of all DASNY financings. Ms. Fontaine is licensed to practice law in the States of New York and Connecticut, as well as the United States District Courts for the Southern District of New York, the Eastern District of New York, and the District of Connecticut. She has over twenty-seven years of combined legal experience in the private and public sector. Ms. Fontaine most recently served as First Assistant Counsel to the Governor and, prior thereto, served as Assistant Counsel to the Governor for Economic Development, Public Finance & Procurement and Assistant Counsel for Human Services. She holds a Bachelor of Arts degree from the State University of New York at Stony Brook University and a Juris Doctor degree from Pace University School of Law.

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. Prior to that, 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 of Arts degree from the State University of New York at Albany.

STEPHEN D. CURRO is the Managing Director of Construction. Mr. Curro is responsible for DASNY's construction groups, including design, project management, resource acquisition, contract administration, interior design, real property, sustainability and engineering, as well as other technical 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.

CHARLIE WILLIAMS is the Managing Director for Executive Direction. Mr. Williams coordinates policy and operations across all DASNY business lines and serves as chief advisor on all DASNY operational matters. He is also responsible for communications, marketing and intergovernmental affairs at DASNY. Mr. Williams previously served as Deputy Budget Director for the NYS Division of Budget where he oversaw the budgets of approximately 125 state agencies and authorities in the areas of economic development, human services, housing, energy, environment, education, arts, agriculture, parks, mental hygiene, developmental disabilities, addiction services

and public protection. He holds a Bachelor of Arts degree from State University of New York at Plattsburgh and a Master's degree in Public Administration from the Rockefeller College of the University at Albany.

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.

There is not now pending any litigation against DASNY (i) restraining or enjoining the issuance or delivery of the Series 2022 Bonds nor (ii) challenging the validity of the Series 2022 Bonds or the proceedings and authority under which DASNY will issue the Series 2022 Bonds.

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 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, 2022. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 9 – LEGALITY OF THE SERIES 2022 BONDS FOR INVESTMENT AND DEPOSIT

Under State law, the Series 2022 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 public benefit corporations and authorities in the Series 2022 Bonds.

The Series 2022 Bonds may be deposited with the State Comptroller to secure deposits of State moneys in banks, trust companies and industrial banks.

PART 10 – NEGOTIABLE INSTRUMENTS

The Series 2022 Bonds shall be negotiable instruments as provided in the Act, subject to the provisions for registration and transfer contained in the Bond Resolution and in the Series 2022 Bonds.

PART 11 – TAX MATTERS

Opinions of Co-Bond Counsel

In the respective opinions of Barclay Damon LLP and Law Offices of Joseph C. Reid, P.A., Co-Bond Counsel to DASNY, under existing law, and assuming compliance with certain covenants described herein, and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by DASNY, the County and others, interest on the Series 2022 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Co-Bond Counsel are further of the opinion that interest on the Series 2022 Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code; however, for tax years beginning after December 31, 2022, interest on the Series 2022 Bonds that is included in the adjusted financial statement income of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. Co-Bond Counsel are also of the opinion that, under existing law, interest on the Series 2022 Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York).

Co-Bond Counsel express no opinion regarding any other federal, state or local tax consequences with respect to the Series 2022 Bonds. The opinions of Co-Bond Counsel speak as of their issue date and do not contain or provide any opinion or assurance regarding the future activities of DASNY or the County or about the effect of future changes in the Code, the applicable regulations, rulings, judicial decisions, the interpretation thereof or the enforcement thereof by the Internal Revenue Service (the “IRS”). In addition, Co-Bond Counsel express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel (other than Co-Bond Counsel, to the extent that both Co-Bond Counsel render such opinion) regarding federal, state or local tax matters, including, without limitation, the exclusion of interest on the Series 2022 Bonds from gross income for federal income tax purposes. See “Appendix E – Form of Approving Opinions of Co-Bond Counsel.”

General

The Code imposes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2022 Bonds in order that interest on the Series 2022 Bonds be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the use of proceeds of the Series 2022 Bonds and the facilities financed by such proceeds, restrictions on the investment of such proceeds and other amounts, the rebate of certain earnings in respect of such investments to the United States, and required ownership by a governmental unit of the facilities financed by the Series 2022 Bonds. Failure to comply with such requirements may cause interest on the Series 2022 Bonds to be includable in gross income for federal income tax purposes retroactive to the date of their issuance irrespective of the date on which such noncompliance occurs. DASNY, the County, and others have made certain representations, certifications of fact, and statements of reasonable expectations and DASNY and the County have given certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2022 Bonds from gross income under Section 103 of the Code. The opinions of Co-Bond Counsel assume continuing compliance with such covenants as well as the accuracy and completeness of such representations, certifications of fact, and statements of reasonable expectations. In the event of the inaccuracy or incompleteness of any such representations, certifications of fact or statements of reasonable expectations, or of the failure by DASNY or the County to comply with any such covenants, the interest on the Series 2022 Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance and delivery of the Series 2022 Bonds, regardless of the date on which the event causing such inclusion occurs. Further, although the interest on the Series 2022 Bonds is excludable from gross income for federal income tax purposes, receipt or accrual of the interest may otherwise affect the tax liability of a Beneficial Owner of a Series 2022 Bond. The tax effect of receipt or accrual of the interest will depend upon the tax status of a Beneficial Owner of a Series 2022 Bond and such Beneficial Owner's other items of income, deduction or credit. Co-Bond Counsel express no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2022 Bonds.

Certain Collateral Federal Income Tax Consequences

Prospective purchasers of the Series 2022 Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of the Series 2022 Bonds may have collateral federal income tax consequences for certain taxpayers, including financial corporations, insurance companies, Subchapter S corporations, certain foreign corporations, individual recipients of social security or railroad retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their own tax advisors as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the Series 2022 Bonds. Co-Bond Counsel express no opinion regarding any such collateral federal income tax consequences.

Original Issue Discount

The excess of the principal amount of a maturity of a Series 2022 Bond over the issue price of such maturity of a Series 2022 Bond (a “Discount Bond”) constitutes “original issue discount,” the accrual of which, to the extent properly allocable to the Beneficial Owner thereof, constitutes “original issue discount” which is excluded from gross income for federal income tax purposes to the same extent as interest on such Discount Bond. For this purpose, the issue price of a maturity of Series 2022 Bonds is the first price at which a substantial amount of each such maturity of Series 2022 Bonds is sold to the public. Further, such original issue discount accrues actuarially on a constant yield basis over the term of each Discount Bond and the basis of such Discount Bond acquired at such initial offering price by an initial purchaser of each Discount Bond will be increased by the amount of such accrued discount. Beneficial Owners of Discount Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Discount Bonds.

Bond Premium

The Series 2022 Bonds purchased, whether at original issuance or otherwise, at prices greater than the stated principal amount thereof are “Premium Bonds.” Premium Bonds 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 Beneficial Owner of Premium Bonds may realize taxable gain upon disposition of such Premium Bonds even though sold or redeemed for an amount less than or equal to such owner’s original cost of acquiring Premium Bonds. The amortization requirements may also result in the reduction of the amount of stated interest that a Beneficial Owner of Premium Bonds is treated as having received for federal tax purposes (and an adjustment to basis). Beneficial Owners of Premium Bonds are advised to consult with their own tax advisors with respect to the tax consequences of ownership of Premium Bonds.

Backup Withholding and Information Reporting

Interest paid on tax-exempt obligations is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. Interest on the Series 2022 Bonds may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding. Amounts withheld under the backup withholding rules will be paid to the IRS as federal income tax withheld on behalf of the registered owner of the Series 2022 Bonds and would be allowed as a refund or credit against such owner’s federal income tax liability (or the federal income tax liability of the beneficial owner of the Series 2022 Bonds, if other than the registered owner).

Legislation

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 2022 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to state income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2022 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 2022 Bonds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of Beneficial Owners of the Series 2022 Bonds may occur. Prospective purchasers of the Series

2022 Bonds should consult their own advisors 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. The opinions of Co-Bond Counsel are based on current legal authority, cover certain matters not directly addressed by such authority and represent the judgment of Co-Bond Counsel as to the proper treatment of the Series 2022 Bonds for federal income tax purposes. They are not binding on the IRS or the courts.

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (H.R. 5376) into law. For tax years beginning after December 31, 2022, this legislation will impose a 15 percent alternative minimum tax on the adjusted financial statement income of certain corporations. Interest on the Series 2022 Bonds will be included in the adjusted financial statement income of such corporations for purposes of computing the corporate alternative minimum tax imposed under the Code.

Post Issuance Events

Co-Bond Counsel's engagement with respect to the Series 2022 Bonds ends with the issuance of the Series 2022 Bonds and, unless separately engaged, Co-Bond Counsel are not obligated to defend DASNY, the County or the Beneficial Owners regarding the tax-exempt status of interest on the Series 2022 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than DASNY and its appointed counsel, including the County and the Beneficial Owners, 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 2022 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 2022 Bonds, and may cause DASNY, the County or the Beneficial Owners to incur significant expense.

Prospective purchasers of the Series 2022 Bonds should consult their own tax advisors regarding the foregoing matters.

PART 12 – STATE NOT LIABLE ON THE SERIES 2022 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 pledged to the repayment thereof. The Bond Resolution specifically provides that the Series 2022 Bonds shall not be a debt of the State nor shall the State be liable thereon.

PART 13 – 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 provide projects, to establish and collect rentals therefrom and to fulfill agreements 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.

PART 14 – LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2022 Bonds by DASNY are subject to the approval of Barclay Damon LLP, Albany, New York, and Law Offices of Joseph C. Reid, P.A., New York, New York, Co-Bond Counsel to DASNY, whose approving opinions will be delivered with the Series 2022 Bonds. The proposed form of Co-Bond Counsel's approving opinions is set forth in Appendix E.

Certain legal matters will be passed upon for Underwriters by their counsel, Katten Muchin Rosenman LLP, New York, New York, and for the County by Hodgson Russ LLP, Albany, New York.

PART 15 – UNDERWRITING

The Underwriters have agreed, subject to certain conditions, to purchase the Series 2022 Bonds from DASNY at an aggregate purchase price of \$17,593,596.08 (which represents the par amount of the Series 2022 Bonds, less the underwriters' discount of \$322,955.62 plus net premium of \$1,796,551.70) and to make a public offering of the Series 2022 Bonds at prices that are not in excess of the public offering prices corresponding to the yields stated on the inside cover page of this Official Statement.

The Series 2022 Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters and their affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriters and their affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offerings of DASNY or the County. The Underwriters and their affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of DASNY or the County.

PART 16 – CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12"), the County has undertaken in a written agreement (the "Continuing Disclosure Agreement") for the benefit of the Bondholders of the Series 2022 Bonds to provide operating data and financial information of the type and in the manner specified by the Continuing Disclosure Agreement. The proposed form of the Continuing Disclosure Agreement is attached as Appendix F hereto.

The County has in the previous five years complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12, except as described in Appendix B hereto under the heading "HISTORICAL DISCLOSURE COMPLIANCE – Compliance History."

PART 17 – RATING

Moody's Investors Service, Inc. ("Moody's") has assigned the rating of "Aa2" to the Series 2022 Bonds.

Such rating reflects only the views of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's at: Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There is no assurance that such rating will prevail for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2022 Bonds.

PART 18 – FINANCIAL ADVISOR

DASNY has retained Public Resources Advisory Group, Inc., New York, New York (including Backstrom, McCarley, Berry & Co. as subcontractor to Public Resources Advisory Group, Inc.) as Financial Advisor in connection with the issuance of the Series 2022 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to independently verify or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. Public Resources Advisory Group, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

PART 19 – MISCELLANEOUS

Reference in this Official Statement to the Act, the Resolutions, the Agreement and the Assignment do not purport to be complete. Refer to the Act, the Resolutions, the Agreement and the Assignment for full and complete details of their provisions. Copies of the Act, the Resolutions, the Agreement and the Assignment are or will be on file with the Trustee.

The agreements of DASNY with Holders of the Series 2022 Bonds are fully set forth in the Resolutions. Neither any advertisement of the Series 2022 Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2022 Bonds.

Any statements in this Official Statement involving matters of opinion, whether or not expressly stated, are intended merely as expressions of opinion and not as representations of fact.

The information set forth herein relating to DASNY under the heading “PART 8 — DASNY” has been obtained from DASNY. All other information herein has been obtained from the County, OCFS and other sources deemed to be reliable, and is not to be construed as a representation by DASNY or the Underwriters. In addition, neither DASNY nor the Underwriters warrant the accuracy of the statements contained herein relating to the County or of the information in “PART 5 – RAISE THE AGE INITIATIVE,” which was supplied by OCFS, nor does DASNY directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the County, (2) the sufficiency of security for the Series 2022 Bonds or (3) the value or investment quality of the Series 2022 Bonds.

The information regarding DTC and DTC’s book-entry only system has been furnished by DTC.

“Appendix A – Certain Definitions,” “Appendix C – Summary of Certain Provisions of the Financing Agreement,” “Appendix D – Summary of Certain Provisions of the Bond Resolution” and “Appendix E – Form of Approving Opinions of Co-Bond Counsel” have been prepared by Barclay Damon LLP, Albany, New York, and Law Offices of Joseph C. Reid, P.A., New York, New York, Co-Bond Counsel to DASNY.

“Appendix F – Form of Continuing Disclosure Agreement” has been prepared by Katten Muchin Rosenman LLP, New York, New York, counsel to the Underwriters.

The County has reviewed the parts of this Official Statement describing the County and its finances, the covenants of the County, the principal and interest requirements, the Project and the estimated sources and uses of bond proceeds. The County, as a condition to issuance of the Series 2022 Bonds, is required to certify that as of the date of this Official Statement, such parts do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading.

The County has agreed to indemnify DASNY, the Underwriters and certain others against losses, claims, damages and liabilities arising out of any untrue statements or omissions of statements of any material fact as described in the preceding paragraph.

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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/ Reuben R. McDaniel, III
Authorized Officer

CERTAIN DEFINITIONS

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CERTAIN DEFINITIONS

The following are definitions of certain of the terms defined in the Resolution, the Series Resolution, or the Agreement and used in this Official Statement.

Act means the Dormitory Authority Act being Title 4 of Article 8 of the Public Authorities Law of the State, as amended, including without limitation by the Health Care Financing Consolidation Act, being Title 4-B of Article 8 of the Public Authorities Law of the State.

Agreement means the Financing Agreement, between the Issuer and a County executed and delivered in connection with the issuance of a portion of an Applicable Series of Bonds, as from time to time amended or supplemented in accordance with the terms and provisions of the Resolution and of the Agreement, including the Financing Agreement between the Issuer and the County of Albany, New York executed and delivered in connection with the issuance of the Series 2022 Bonds.

Allocable Portion means each County's proportionate share of certain obligations arising under the Applicable Series of Bonds from time to time and the respective Agreements, particularly with respect to the Applicable Arbitrage Rebate Fund, the Costs of Issuance of such Series of Bonds, and the payment of principal, interest and redemption price of such Series of Bonds as particularly determined by the Applicable Series Resolution.

Annual Administrative Fee means the amounts due as described in Appendix C hereto under "Other Amounts Payable."

Applicable means (i) with respect to any Series Resolution, the Series Resolution relating to particular Bonds, (ii) with respect to any Series of Bonds, the Series of Bonds issued under a Series Resolution for a particular County or Counties, (iii) with respect to any Agreement, the Agreement entered into by and between a County and the Issuer, (iv) with respect to a County, the County for which a Series of Bonds is issued, (v) with respect to any Construction Fund, Debt Service Fund, Arbitrage Rebate Fund or Costs of Issuance Account in a Construction Fund, the Fund or Account established in a particular Series Resolution, and with respect to a particular Construction Account in a Construction Fund, means the Construction Account established and undertaken with respect to each Applicable County, (vi) with respect to a Credit Facility or Liquidity Facility, the Credit Facility or Liquidity Facility, if any, identified in the Applicable Series Resolution, and (vii) with respect to a Certificate of Determination, such certificate authorized pursuant to an Applicable Series Resolution, and (ix) with respect to Revenues and Pledged Revenues, the amounts payable to the Issuer on account of a County.

Arbitrage and Use of Proceeds Certificate means the certificate of the County to be delivered pursuant to the Agreement and to be dated the date of delivery of the Series 2022 Bonds.

Arbitrage Rebate Fund means each such fund so designated, created and established pursuant to the Resolution.

Authorized Officer means in the case of the Issuer, County or Trustee, as the case may be, when used with reference to any act or document referenced under the Resolution, any person authorized by a resolution of the party's governing board, the by-laws of the applicable party or any other corporate documentation to perform such act or execute such document.

Basic Debt Service Payment means all amounts payable pursuant to the Applicable Agreement.

Bond or **Bonds** means any of the bonds of the Issuer authorized and issued pursuant to the Resolution and to an Applicable Series Resolution.

Bond Counsel means Barclay Damon LLP or an attorney or other law firm or firms appointed by the Issuer, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

Bond Year means, unless otherwise provided in the Applicable Series Resolution or Applicable Certificate of Determination with respect to a Series of Bonds, a period of twelve (12) consecutive months beginning October 1 in any calendar year and ending on September 30 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.

Book Entry Bond means a Bond authorized to be issued, and issued to and registered in the name of, a Depository for the participants in such Depository or the beneficial owner of such Bond.

Business Day means, unless otherwise defined in connection with Bonds of a particular Series, any day which is not a Saturday, Sunday or a day on which the Trustee or banking institutions chartered by the State or the United States of America are legally authorized to close in The City of New York.

Certificate of Determination means a certificate of an Authorized Officer of the Issuer fixing terms, conditions and other details of Bonds in accordance with the delegation of power to do so under the Resolution or under a Series Resolution as such certificate may be amended or supplemented from time to time.

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

Construction Account means each such account in a Construction Fund so designated, created and established for each Applicable County by the Applicable Series Resolution pursuant to the Resolution.

Construction Fund means each such fund so designated, created and established for a Project by or pursuant to the Applicable Series Resolution authorizing the issuance of a Series of Bonds for the purpose of paying or refinancing the Costs of such Project or Projects.

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 shall 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 Bonds, premiums, fees and charges for insurance on Bonds, commitment fees or similar charges relating to a Credit Facility, a Liquidity Facility, a Hedge Agreement, costs and expenses in connection with the refunding of Bonds or other bonds or notes of the Issuer, costs and expenses incurred pursuant to a remarketing agreement and other costs, charges and fees, including those of the Issuer, in connection with the foregoing.

Cost or Costs of the Project means with respect to an Applicable Project, the costs and expenses, including reimbursement or refinancing of such costs, as appropriate, incurred 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 the 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 the Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, environmental inspections and assessments, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction of the Project, (v) costs and expenses required for the acquisition and installation of furnishings, equipment, machinery and apparatus, (vi) all other costs which the Applicable County shall be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of the Project, (vii) any sums required to reimburse the Applicable County or the Issuer 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 the Project (including interest on money borrowed from parties other than the Applicable County), (viii) interest on the Bonds, bonds, notes or other obligations of the Issuer issued to finance or refinance Costs of the Project that accrued prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of the Project, and (ix) fees, expenses and liabilities of the Issuer incurred in connection with the Project or pursuant to the Resolution or to an Agreement, a Credit Facility in connection with Bonds, a Liquidity Facility or a remarketing agreement in connection with Option Bonds or Variable Interest Rate Bonds.

Counterparty means any person with which the County has entered into a Hedge Agreement.

County or Counties means with respect to an Applicable Series of Bonds, each or all of the Counties for whose benefit the Issuer shall have issued all or a portion of such Series and with whom the Issuer shall have executed one or more Agreements.

Credit Facility means, with respect to a Series of Bonds, an irrevocable letter of credit, insurance policy, surety bond, loan agreement, or other agreement, facility or insurance or guaranty arrangement pursuant to which the Trustee is entitled to obtain money to pay the principal and Sinking Fund Installments of and interest on particular Bonds whether or not the Issuer is in default under the Resolution, which is issued or provided by:

(i) 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 or a saving and loan association;

(ii) an insurance company or association chartered or organized under the laws of any state of the United States of America;

(iii) the Government National Mortgage Association or any successor thereto;

(iv) the Federal National Mortgage Association or any successor thereto; or

(v) any other federal agency or instrumentality set forth in the Series Resolution authorizing the Series of Bonds.

Any such Credit Facility may also constitute a Liquidity Facility if it also meets the requirements of the definition of a Liquidity Facility contained in the Resolution.

Debt Service Fund means, when used in connection with a Series of Bonds, each such fund so designated, created and established by or pursuant to the Series Resolution authorizing the issuance of such Series of Bonds.

Debt Service Reserve Fund means, when used in connection with a particular Series of Bonds, a reserve fund for the payment of the principal and Sinking Fund Installments of and interest on such Series of Bonds, as so designated, created and established by the Issuer by or pursuant to the Series Resolution authorizing the issuance of such Series of Bonds.

Debt Service Reserve Requirement means the amount of money required to be deposited in a Debt Service Reserve Fund as determined in accordance with the Series Resolution pursuant to which such Debt Service Reserve Fund has been established.

Defeasance Security means:

(i) a Government Obligation of the type described in clauses (i), (ii), (iii) or (iv) of the definition of Government Obligation;

(ii) a Federal Agency Obligation described in clauses (i) or (ii) of the definition of Federal Agency Obligation;

(iii) an Exempt Obligation, provided such Exempt Obligation (a) 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, (b) is secured as to principal and interest and redemption premium, if any, by a fund consisting only of money or Government Obligations, 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 (a) above, (c) 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 money 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 (a) above, and (d) is rated by at least two Rating Services in the highest rating category for such Exempt Obligation; and

(iv) any other investments as provided in the Applicable Series Resolution.

Notwithstanding the foregoing, for purposes of (i), (ii) and (iii) above, such term shall not include (1) any interest in a unit investment trust or mutual fund or (2) any obligation that is subject to redemption prior to maturity other than at the option of the holder thereof.

Depository or **DTC** 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 Certificate of Determination relating to a Series of Bonds to serve as securities depository for the Bonds of such Series (or any successor thereto appointed pursuant to the Resolution).

Determination of Taxability means, when used with respect to a Tax Exempt Bond, a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the Issuer shall consent or from which no timely appeal shall have been taken, in each case to the effect that interest on such Bond is includable in the gross income of the Holder thereof for purposes of federal income taxation.

Electronic Means means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services under the Resolution.

EMMA means the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board or any successor repository for municipal securities disclosures.

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 Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, no lower than the second highest rating category for such obligation by at least two Rating Services;

(ii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing; and

(iii) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations.

Existing Indebtedness means the bonds or notes, if any, of the County described in the Agreement, which bonds or notes have financed all or a portion of the Project.

Federal Agency Obligation means:

(i) an obligation issued by any federal agency or instrumentality which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, no lower than the second highest rating category for such obligation by at least two Rating Services;

(ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by a federal agency which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, no lower than the second highest rating category for such obligation by at least two Rating Services;

(iii) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in clauses (i) or (ii) above;

(iv) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations; and

(v) any other obligation issued by any federal agency or instrumentality permitted under the Issuer’s investment guidelines that is approved in writing by both the Issuer and the Applicable County or Counties.

Financing means the financing of the Project in the Principal Amount made available to the County from the proceeds of the Bonds pursuant the Agreement.

Government Obligation means:

- (i) a direct obligation of the United States of America;
- (ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by the United States of America;
- (iii) an obligation to which the full faith and credit of the United States of America are pledged;
- (iv) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on, any of the foregoing; and
- (v) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations.

Hedge Agreement means any financial arrangement entered into by the Applicable County with a Counterparty that is or in the nature of an interest rate exchange agreement, an interest rate cap or collar or other exchange or rate protection transaction, in each case executed for the purpose of moderating interest rate fluctuations, reducing interest cost or creating with respect to any Variable Interest Rate Bond the economic or financial equivalent of a fixed rate of interest on such Bond.

Interest Payment Date means, unless otherwise provided in the Applicable Series Resolution, April 1 and October 1 of each Bond Year.

Investment Agreement means a repurchase agreement or other agreement for the investment of money with a Qualified Financial Institution.

Issuer means the Dormitory Authority of the State of New York, a body corporate and politic constituting a public benefit corporation of the State created by the Act, or any body, agency or instrumentality of the State which shall succeed to the rights, powers, duties and functions of the Issuer.

Liquidity Facility means, with respect to a Series of Bonds, a letter of credit, a surety bond, a standby purchase agreement, a line of credit or other agreement or arrangement pursuant to which money may be obtained by the Trustee upon the terms and conditions contained therein for the purchase of Bonds tendered for purchase in accordance with the terms of the Series Resolution authorizing such Bonds or the Certificate of Determination relating to such Bonds.

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 the Certificate of Determination relating to such Bond as the maximum rate at which such Bond may bear interest at any time.

Memorandum of Understanding means the Memorandum of Understanding among the Issuer, the New York State Office of Children and Family Services, the Comptroller of the State of New York and an Applicable County.

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 the Certificate of Determination relating to such Bonds as the minimum rate at which such Bond may bear interest at any time.

Notice of Terms means a notice setting forth and confirming the definitive principal amounts, maturity dates and interest rates of and certain other terms of the Financing, which, to the extent such terms shall be inconsistent with the parameters set forth in the Agreement, shall be subject to the approval of the County.

Option Bond means any Bond which by its terms may be or is required to be tendered by and at the option of the Holder thereof for redemption by the Issuer prior to the stated maturity thereof or for purchase by the Issuer prior to the stated maturity 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 Certificate of Determination related to such Bonds.

Outstanding, when used in reference to Bonds, means, as of a particular date, all Bonds authenticated and delivered under the Resolution and under any Applicable Series Resolution except:

- (i) any Bond canceled by the Trustee at or before such date;
- (ii) any Bond deemed to have been paid in accordance with the defeasance provisions of the Resolution;

(iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the Resolution; and

(iv) any Option Bond tendered or deemed tendered in accordance with the provisions of the Series Resolution authorizing such Bond or the Certificate of Determination relating to such Bond on the applicable adjustment or conversion date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payment as provided in the Resolution and in the Series Resolution authorizing such Bond or the Certificate of Determination relating to such Bond.

Permitted Collateral means:

(i) Government Obligations described in clauses (i), (ii) or (iii) of the definition of Government Obligation;

(ii) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligation;

(iii) financial guaranty agreements, surety or other similar bonds or other instruments of an insurance company that has an equity capital of at least \$125,000,000 and is rated by Bests Insurance Guide or a Rating Service in the highest rating category; and

(iv) any other obligations or securities permitted under the Issuer's investment guidelines and approved in writing by both the County and the Issuer.

Permitted Investments means any of the following:

(i) Government Obligations;

(ii) Federal Agency Obligations;

(iii) Exempt Obligations;

(iv) uncollateralized demand deposits, including interest bearing money market accounts, time deposits, overnight bank deposits and other interest bearing deposits, and certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation and issued by a banking organization authorized to do business in the State;

(v) collateralized demand deposits, including interest bearing money market accounts, time deposits, overnight bank deposits and other interest bearing deposits, and certificates of deposit that are (a) issued by a banking organization authorized to do business in the State that has an equity capital of not less than \$125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter or credit, contract, agreement or surety bond issued by it, are, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, rated by at least one Rating Service in at least the second highest rating category, and (b) fully collateralized by Permitted Collateral;

(vi) commercial paper issued by a domestic corporation rated, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, in the highest short term rating category by at least one Rating Service and having maturities of not longer than two hundred seventy (270) days from the date of purchase;

(vii) bankers' acceptances issued by a bank rated, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, in the highest short term rating category by at least one Rating Service and having maturities of not longer than three hundred sixty five (365) days from the date they are purchased;

(viii) Investment Agreements that are fully collateralized by Permitted Collateral;

(ix) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, whose objective is to maintain a constant share value of \$1.00 per share and that is rated, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, in the highest short term rating category by at least one Rating Service; and

(x) any other investment permitted under the Issuer's investment guidelines that is approved in writing by both the Issuer and the County.

Pledged Revenues means the public funds that are pledged and assigned by a County to the Issuer pursuant to an Applicable Agreement.

Principal Amount means the original aggregate principal amount of the Financing, which shall be an amount equal to the total principal amount shown as payable in the Anticipated Repayment Schedule attached to the Agreement; provided that such Financing amount may be revised to an amount not greater than the maximum amount shown in the Agreement by the Authority delivering a Notice of Terms to the County to reflect the amount, if any, to be maintained to provide for the payment of the Refunded Obligations.

Project means the project referenced in an Applicable Agreement and authorized to be financed or refinanced under the Act, which may include more than one part, financed in whole or in part from the proceeds of the sale of Bonds, as more particularly described in the Resolution, in or pursuant to a Series Resolution or in or pursuant to a Certificate of Determination relating to such Bonds.

Qualified Financial Institution means any of the following entities that has an equity capital of at least \$125,000,000 or whose obligations are unconditionally guaranteed by an affiliate or parent having an equity capital of at least \$125,000,000:

(i) a securities dealer, the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and (a) that is on the Federal Reserve Bank of New York list of primary government securities dealers and (b) whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; *provided, however*, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

(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 the United States of America, any state of the United States of America or any foreign nation, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; *provided, however*, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

(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, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; *provided, however*, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

(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 Issuer; or

(v) a corporation whose obligations, including any investments of any money held under the Resolution purchased from such corporation, are insured by an insurer that meets the applicable rating requirements set forth above.

Rating Service means each of Moody's Investors Service, Inc., S&P Global Rating Services, Fitch, Inc. and any other nationally recognized statistical rating organization, in each case which has assigned a rating to Outstanding Bonds, or their respective successors and assigns.

Record Date means, unless the Series Resolution or the Certificate of Determination relating to the Applicable Series of Bonds provides otherwise, the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding an Interest Payment Date.

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 Resolution or to the Applicable Series Resolution or Certificate of Determination.

Refunded Obligations means all or a portion of any Existing Indebtedness which is to be refunded with the proceeds of the Series 2022 Bonds, as set forth the Agreement.

Refunding Bonds means all Bonds, whether issued in one or more Series of Bonds, authenticated and delivered on original issuance pursuant to the Resolution, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Resolution.

Resolution means the Raise the Age Revenue Bond Financing Program Revenue Bond Resolution, adopted by the Issuer on September 7, 2022, as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions of the Resolution.

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

Serial Bonds means the Bonds so designated in a Series Resolution or a Certificate of Determination.

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

Series Resolution means a resolution of the Issuer authorizing the issuance of a Series of Bonds adopted by the Issuer pursuant to the Resolution, including but not limited to the Series Resolution 2022-1.

Series Resolution 2022-1 means the Series Resolution 2022-1 Authorizing Up To \$22,000,000 Raise the Age Revenue Bonds, adopted by the Issuer on September 7, 2022.

Series 2022 Bonds means the Issuer's Raise the Age Revenue Bond Financing Program Revenue Bonds, Series 2022.

Sinking Fund Installment means, as of any date of calculation, when used with respect to any Bonds of a Series, so long as any such Bonds are Outstanding, the amount of money required by the Resolution or by the Series Resolution pursuant to which such Bonds were issued or by the Certificate of Determination relating thereto to be paid on a single future October 1 (or such other date as provided in a Series Resolution or a Certificate of Determination with respect to a Series of Bonds) for the retirement of any Outstanding Bonds of said Series which mature after said future October 1, but does not include any amount payable by the Issuer by reason only of the maturity of a Bond, and said future October 1 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.

State means the State of New York.

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

Tax-Exempt Bond means any Bond as to which Bond Counsel has rendered an opinion to the effect that interest on it is excluded from gross income for purposes of federal income taxation.

Term Bond means any Bond so designated in an Applicable Series Resolution or an Applicable Certificate of Determination and payable from Sinking Fund Installments.

Trustee means the bank or trust company appointed as Trustee and paying agent for a Series of Bonds pursuant to the Resolution and the Applicable Series Resolution or Applicable Certificate of Determination and having the duties, responsibilities and rights provided for in the Resolution, 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 Resolution.

Unassigned Rights means the rights of the Issuer to (a) execute and deliver supplements and amendments to the Resolution and an Applicable Agreement, pursuant to the Resolution, (b) be held harmless and indemnified pursuant to an Applicable Agreement, (c) receive any funds for its own use, whether as administration fees or other amounts payable to the Issuer or indemnification pursuant to an Applicable Agreement, (d) receive notices, opinions of Bond Counsel and other documents as required under an Applicable Agreement to be delivered to the Issuer; (e) require an Applicable County to take actions necessary to comply with its Applicable Agreement; and (f) enforce any of the foregoing pursuant to an Applicable Agreement.

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 Certificate of Determination relating to such Bonds and which shall 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 such Series Resolution or Certificate of Determination;

provided, however, that in each case such variable interest rate may be subject to a Maximum Interest Rate and a Minimum Interest Rate as provided in the Series Resolution authorizing such Bonds or the Certificate of Determination relating thereto, and that Series Resolution or Certificate of Determination shall 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 shall remain in effect or (y) the time or times at which any change in such variable interest rate shall 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 shall have been fixed for the remainder of the term thereof, shall no longer be a Variable Interest Rate Bond.

Verification Report means, when used in connection with any Bonds for the payment of which Defeasance Securities and money has been deposited with the Trustee in accordance with the Resolution, a letter or other written report verifying the accuracy of the arithmetical computations which establish the adequacy of such money and Defeasance Securities for such purpose.

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**CERTAIN FINANCIAL AND ECONOMIC INFORMATION
RELATING TO ALBANY COUNTY**

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**CERTAIN FINANCIAL AND ECONOMIC INFORMATION
RELATING TO ALBANY COUNTY**

THE COUNTY OF ALBANY

The following is a brief description of the County and certain information concerning its economy, governmental organization, indebtedness and financial practices. Certain information may require economic analysis in order to assess the importance of the facts and figures presented.

General

The County was incorporated in 1683. Situated on the west bank of the Hudson River, the County is approximately 135 miles directly north of New York City and has an area of approximately 533 square miles.

A number of the State's institutions of higher learning are located in the County, among them the State University of New York at Albany, the Russell Sage College (Albany Campus), Albany Law School (Union University), Siena College, the College of Saint Rose, Albany Medical College, Albany College of Pharmacy and Health Sciences and three business colleges.

The County's transportation needs are served by a network of excellent highways, including the New York State Thruway, Interstate Highways 90 and 87 and a connecting link to the Massachusetts Turnpike; major bus lines; three railroads; Albany International Airport; the Hudson River; the New York State Barge Canal and the Port of Albany. The County contains three cities – Albany, Cohoes and Watervliet – and ten towns. The cities have well equipped fire and police departments and the towns are served by many individual fire districts, volunteer fire companies and town police departments. Educational services for County residents are provided by private schools and school districts.

Government Organization

The County is governed by the provisions of its Charter. Under the Charter, adopted in 1993, the County is a home rule municipality and functions consistently with those provisions of the State Constitution and laws uniformly applicable to all New York municipalities.

The Legislature is the governing body of the County. A chairman, selected by the legislators every two years, is the presiding officer. Legislators are elected from each of the 39 districts within the County every four years or by special election in the event of a vacancy. The Legislature has the power to establish rules and procedures for itself, adopt local laws, levy taxes and other revenue measures, adopt budgets and approve all matters relevant to the administration of County government. Meetings of the Legislature are held on a monthly basis and are open to the public.

The County Executive is elected in the general election to a four-year term concurrent with that of the Legislature, without restriction as to the number of terms, and is charged with supervision of all departments of County government, subject to the provisions of the Charter. The Executive reports annually to the Legislature on the activities of all administrative units, recommends an annual budget, recommends for appointment the head of every department and administrative units of government and executes contracts. The financial affairs of the County are administered by two officers: The Commissioner of Management and Budget and the Comptroller. The Commissioner of Management and Budget, who is appointed by the County Executive and confirmed by the Legislature, assists the Executive in the preparation of the operating and capital budgets and in the study of administrative efficiency and economy, collects taxes and other revenues, and invests County funds.

The Comptroller is elected in the general election to a four-year term concurrent with that of the Legislature, without restriction as to number of terms, and is the chief fiscal officer of the County. Under the Comptroller's direction, the Department of Audit and Control obtains and audits all records relating to the use or deposit of County funds and submits annual reports to the Legislature.

Management and Budget prepares the capital plan and makes recommendations to the Legislature, which authorizes the issuance of County debt. The Comptroller then executes the issuance of such debt.

The County’s fiscal year for budget and accounting purposes is January 1st to December 31st. Its final budget, approved by the Executive and authorized by the Legislature, must make adequate provision for the servicing of debt and must not provide for an excess of expenditures over anticipated revenues. Included as part of each budget is a five-year capital improvement program. This plan is prepared by the County Executive and approved by the Legislature.

There are a total of twenty two County administrative departments – Aging; Alternative Public Defender; Children, Youth and Families; Civil Service; County Executive; Crime Victims and Sexual Violence Center; Economic Development, Conservation and Planning; General Services; Health; Human Resources; Immigration Assistance; Law; Management and Budget; Mental Health; Probation; Public Defender; Public Works; Recreation; Shaker Place Rehabilitation and Nursing Center; Social Services; Veterans Bureau and the Water Purification District. The District Attorney, County Clerk, Sheriff, Comptroller and four County Coroners are elected by general election. Candidates for other positions are proposed by the County Executive and appointed by the Legislature with the exception of the Board of Election Commissioners who are appointed solely by the Legislature.

Population

The County has a population of 314,848 as estimated by the U.S. Department of Commerce in 2020, and of that total 99,224 live in the City of Albany, which is the County seat and State Capital. The following table presents population trends of the County, the Albany Standard Metropolitan Statistical Area (the “SMSA” consists of the five counties of Albany, Montgomery, Rensselaer, Saratoga and Schenectady), the State and the United States since 1980.

Population Trend

	Albany County	Albany SMSA	New York State	United States
	<u>Population</u>	<u>Population</u>	<u>Population</u>	<u>Population</u>
1980	285,909	795,019	17,558,072	226,504,825
1990	292,793	861,623	17,990,778	248,709,873
2000	294,565	875,583	18,976,457	281,421,906
2010	304,204	888,186	19,378,102	308,745,538
2020	314,848	919,076	20,201,249	331,449,281

Data for 1980, 1990, 2000, 2010 and 2020 are compiled by the U.S. Department of Commerce as of April 1 of each year based on the census for that year.

Source: United States Department of Commerce, Bureau of the Census; American Community Survey.

Economy

The economy of the County is diversified, with significant activity in the areas of industry, commerce and government. There are several banks and trust companies, some of which provide complete branch banking services throughout the County. Industrial establishments are engaged in such diverse operations as paper making, printing and the manufacture of clothing, automobile accessories, chemical products, pharmaceuticals and machine tools. The County also includes many retail stores, wholesale establishments and many shopping centers and several regional shopping malls.

As the State Capital, government is an especially important factor in the County. Federal, State and local governments provide employment for thousands of people and the State is the largest employer in the County.

Employment

A major portion of non-agricultural workers have historically been employed by Federal, State or local government. The following tables present certain economic and demographic information for the County and the Albany-Schenectady-Troy Standard Metropolitan Statistical Area (SMSA).

Per Capita Income

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Albany County	\$36,974	\$38,884	\$38,494	\$38,592	\$41,711
New York State	37,156	36,931	41,857	40,898	43,078
United States	32,397	33,831	35,672	35,384	N/A

Source: U.S. Bureau of Census, 1 year American Community Surveys.

Income of Families – 2021⁽¹⁾

	Less than <u>\$25,000</u>	\$25,000 - <u>49,999</u>	\$50,000 - <u>74,999</u>	\$75,000 - <u>149,999</u>	\$150,000 <u>or More</u>
Albany County	7.3%	14.1%	12.3%	38.3%	28.2%

⁽¹⁾ Totals may not foot due to rounding.

Source: U.S. Bureau of Census, 1 year American Community Surveys.

Median Family Income

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Albany County	\$92,999	\$91,290	\$98,162	\$95,923	\$99,133
New York State	80,114	83,311	89,475	87,270	92,454

Source: U.S. Bureau of Census, 1 year American Community Surveys.

Civilian Labor Force
(000s)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Albany County	158.0	157.3	156.9	157.3	156.5
Albany-Schenectady-Troy SMSA	447.5	448.0	447.5	448.5	447.8
New York State	9,549.0	9,511.2	9,507.1	9,289.2	9,441.5

Source: New York State Department of Labor.

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Selected Listing of Major Employers

<u>Name</u>	<u>Type</u>	<u>Approximate Number of Employees</u>
State of New York	Government	51,800
St. Peter's Health Care Services	Health Care	12,004
Albany Medical Center	Health Care	8,652
United States of America	Government	7,901
University at Albany	Education	4,093
Verizon	Telecommunications	3,000
Center for Disability Services	Health Care	2,795
County of Albany	Government	2,393
Albany School District	Education	1,964
Empire Blue Cross	Health Insurance	1,600
City of Albany	Government	1,369

Sources: Capital District Business Review and the Capital District Regional Planning Group.

Annual Unemployment Rate Statistics

	<u>Albany County</u>	<u>Albany-Schenectady Troy SMSA</u>	<u>New York State</u>
2017	4.2%	4.3%	4.6%
2018	3.7	3.8	4.1
2019	3.5	3.5	3.8
2020	6.9	6.9	9.9
2021	4.4	4.3	6.9

Source: New York State Department of Labor (Note: Figures not seasonally adjusted).

Monthly Unemployment Rate Statistics

	<u>Albany County</u>	<u>Albany-Schenectady-Troy MSA</u>	<u>New York State</u>
October 2021	3.4%	3.3%	5.3%
November	3.0	2.9	4.9
December	2.6	2.6	4.5
January 2022	3.3	3.4	5.3
February	3.5	3.6	5.1
March	3.3	3.3	4.7
April	2.7	2.7	4.2
May	2.8	2.7	4.1
June	3.0	2.9	4.3
July	3.3	3.2	4.8
August	3.4	3.3	4.9
September	2.8	2.8	3.9

Source: New York State Department of Labor (Note: Figures not seasonally adjusted).

COUNTY INDEBTEDNESS AND DEBT LIMITATIONS

Obligations under the Financing Agreement do not Constitute Indebtedness of the County

For purposes of the Act, DASNY and the County have agreed that the Financing Agreement by and between DASNY and the County (the “Financing Agreement”) shall be deemed executory only to the extent of the monies appropriated and available by the County for the purpose of the Financing Agreement, and no liability on account therefor shall be incurred beyond the amount of such monies. Neither the Financing Agreement nor any representation by any public employee or officer creates any legal or moral obligation to request, appropriate or make available monies for purposes of the Financing Agreement. The Financing Agreement does not constitute indebtedness of the County for purposes of the State Constitution or the Local Finance Law of the State. The Financing Agreement is not a general obligation of the County. Neither the faith and credit nor the taxing power of the County are pledged to the payment of any amount due or to become due under the Financing Agreement.

Constitutional Provisions

Limitations on indebtedness are found in Article VIII of the State Constitution and are implemented by the Local Finance Law. The provisions of Article VIII referred to in the following summaries are generally applicable to the County and the obligations authorized by its County Legislature.

Article VIII, Section 1

Subject to certain enumerated exceptions, the County shall not give or loan any money or property to or in aid of any individual or private corporation, association or private undertaking nor shall the County give or loan its credit to or in aid of any of the foregoing or a public corporation, except for the purpose of joint municipal indebtedness and care of the needy.

Article VIII, Section 2

The County shall not contract indebtedness except for a County purpose and no such indebtedness shall be contracted for longer than the period of probable usefulness of the purpose for which it is contracted and in no event may this period exceed forty years. The County must pledge its faith and credit for the payment of the principal and the interest on any of its indebtedness. Except for certain short-term indebtedness contracted in anticipation of the collection of taxes and indebtedness to be paid within one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, all indebtedness shall be paid in annual installments. Indebtedness must be paid in annual installments commencing not more than two years after the debt was contracted. Provision shall be made annually by appropriation by the County for the payment of interest on all indebtedness and for the amounts required for the amortization and redemption of serial bonds.

Article VIII, Section 4

The County shall not contract indebtedness which, including existing indebtedness, shall exceed 7% of the five year average full valuation of taxable real estate therein. The average full valuation of taxable real estate of the County is determined pursuant to Article VIII Section 10 of the Constitution by taking the assessed valuations of taxable real estate on the last completed assessment roll and the four preceding rolls and applying to such rolls, the ratio as determined by the State Tax Commission or such other State agency or official as the State Legislature shall direct which such assessed valuation bears to the full valuation. Article VIII Section 5 and Article VIII Section 2-a enumerate exclusions and deductions from the Constitutional debt limit.

Statutory Provisions

Title 8 of the Local Finance Law contains the statutory limitations on the power to contract indebtedness. Section 104.00 limits, in accordance with Article VIII Section 4 of the Constitution, the ability to contract indebtedness by the County to 7% of the five year average full valuation. The statutory provisions implementing constitutional provisions authorizing deductions and excluding indebtedness from the debt limits are found in Title 9 and Title 10 of

the Local Finance Law. In addition to the constitutionally enumerated exclusions and deductions, deductions are allowed for cash or appropriations for debt service pursuant to the authority of a decision of the New York Court of Appeals.

Debt Limit

Computation of Debt Limit

<u>Fiscal Year Ending</u> <u>December 31:</u>	<u>Full</u> <u>Valuation</u>
2018	\$26,035,931,645
2019	26,056,527,362
2020	27,822,746,869
2021	28,521,289,128
2022	<u>29,641,222,516</u>
Total Five Year Full Valuation	\$138,077,717,520
Average Five Year Valuation	<u>27,615,543,504</u>
Debt Limit - 7% of Average Full Valuation	<u>\$1,933,088,045</u>

Outstanding Indebtedness

Calculation of Total Net Indebtedness
(As of November 10, 2022)

Five Year Average Full Valuation of Taxable Real Property	\$	27,615,543,504
Debt Limit (7% Thereof)		1,933,088,045
Outstanding Indebtedness ⁽¹⁾ :		
Bonds	\$	284,960,000
Bond Anticipation Notes		0
Tax Anticipation Notes		<u>0</u>
Outstanding Gross Indebtedness		284,960,000
Less Exclusions:		
Environmental Facilities Corporation (Bonds)	\$	3,350,000
2022 Budgeted Principal Appropriations (remaining)		<u>0</u>
Total Exclusions		<u>3,350,000</u>
Total Net Indebtedness	\$	<u>281,610,000</u>
Percent of Debt Limit Exhausted		<u>14.57%</u>
Debt Contracting Margin	\$	<u>1,651,478,045</u>

⁽¹⁾ Does not include the payments to be made by the County under the Financing Agreement with DASNY with respect to the Series 2022 Bonds. The Financing Agreement does not constitute indebtedness of the County for purposes of the State Constitution or the Local Finance Law of the State. The Financing Agreement is not a general obligation of the County. Neither the faith and credit nor the taxing power of the County are pledged to the payment of any amount due or to become due under the Financing Agreement.

There is no constitutional limitation on the amount that may be raised by the County by taxes on real estate in any fiscal year to pay interest and principal on all indebtedness.

General. The County is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the County so as to prevent abuses in taxation and assessments and in contracting indebtedness; however, as has been noted under “Nature of Obligation”, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the County to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Trend of Outstanding Debt

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Subject to Debt Limit:</u>					
Bonds	\$155,560,001	\$278,560,000	\$327,180,000	\$296,720,000	\$290,175,000
Bond Anticipation Notes	134,279,450	0	0	0	0
Other Notes	0	0	0	0	0
<u>Not Subject to Debt Limit</u>					
Bonds	5,749,853	5,265,000	4,775,000	4,280,000	3,820,000
Bond Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$295,589,304</u>	<u>\$283,825,000</u>	<u>\$331,955,000</u>	<u>\$301,000,000</u>	<u>\$293,995,000</u>

Tax and Revenue Anticipation Notes

The County has no tax or revenue anticipation notes outstanding.

Bond Anticipation Notes

The County has no bond anticipation notes outstanding.

Authorized but Unissued Debt

The County formulates a five year capital budget as part of its annual budgetary process. The County Executive and County Legislature determine what projects will be completed. Financing of such projects is through long and short-term borrowings, operating funds and Federal and State assistance. As of November 10, 2022, the County has \$63,131,064 in authorized but unissued debt, inclusive of \$27 million for a regional sewer project authorized in March 2020.

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Debt Service Schedule

The following table shows the annual debt service requirements to maturity on the County’s outstanding general obligation bonded indebtedness, exclusive of refunded bonds and debt issued through the New York State Environmental Facilities Corporation. This schedule of debt service does not include the payments to be made by the County under the Financing Agreement to DASNY with respect to the Series 2022 Bonds.⁽²⁾

Schedule of Debt Service Requirements on Outstanding Bonds

Fiscal Year Ending December 31:	Principal	Interest	Total
2022 ⁽¹⁾	\$31,795,000	\$11,389,436	\$43,184,436
2023	34,085,000	10,896,736	44,981,736
2024	36,240,000	9,326,394	45,566,394
2025	31,240,000	7,643,444	38,883,444
2026	30,800,000	6,205,369	37,005,369
2027	29,075,000	4,838,069	33,913,069
2028	26,610,000	3,548,894	30,158,894
2029	23,510,000	2,503,294	26,013,294
2030	7,385,000	1,932,494	9,317,494
2031	7,620,000	1,695,344	9,315,344
2032	7,875,000	1,449,294	9,324,294
2033	8,115,000	1,196,994	9,311,994
2034	8,325,000	994,894	9,319,894
2035	8,540,000	781,925	9,321,925
2036	8,760,000	557,625	9,317,625
2037	4,370,000	330,288	4,700,288
2038	4,475,000	226,500	4,701,500
2039	4,585,000	114,625	4,699,625
TOTAL	\$313,405,000	\$ 65,631,619	\$379,036,619

(1) For the entire fiscal year.

(2) The Financing Agreement does not constitute indebtedness of the County for purposes of the State Constitution or the Local Finance Law of the State. The Financing Agreement is not a general obligation of the County. Neither the faith and credit nor the taxing power of the County are pledged to the payment of any amount due or to become due under the Financing Agreement.

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Estimated Overlapping Indebtedness

In addition to the County, the following municipal subdivisions located within the County have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the County. Estimated indebtedness is listed as of the close of the last available fiscal year of the respective municipalities and districts.

Gross Direct Indebtedness	\$ 284,960,000
Exclusions and Deductions	<u>3,350,000</u>
Net Direct Indebtedness	\$ 281,610,000

Overlapping Debt:

	<u>Applicable Total Indebtedness</u>
Cities	\$142,364,392
Towns	163,753,557
Villages	11,019,977
School Districts	522,608,592
Fire Districts	<u>17,235,162</u>
Total Overlapping Debt	\$856,981,680
Net Direct Debt	<u>281,610,000</u>
Total Overlapping and Net Direct Debt	<u><u>\$1,138,591,680</u></u>

Source: Annual Reports of the respective units on file with the Office of the New York State Comptroller. This data is for the underlying jurisdictions' 2021 fiscal years.

Debt Ratios

The following table presents certain debt ratios relating to the County's direct and overlapping indebtedness.

	<u>Amount</u>	<u>Debt Per Capita⁽¹⁾</u>	<u>Debt to Full Value⁽²⁾</u>
Net Direct Debt	\$ 281,610,000	\$ 894.43	0.95%
<u>Net Direct and Overlapping Debt</u>	1,138,591,680	3,616.32	3.84

- (1) The population of the County is 314,848 as of 2020 according to the U.S. Census Bureau.
- (2) The full value of real property located in the County for the 2022 fiscal year is \$29,641,222,516.

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FINANCIAL INFORMATION

Accounting Practices

Under State law a uniform system of accounting and reporting is prescribed by the State Comptroller for all municipalities. An annual financial report for every municipality must be filed with the State Comptroller by May 1 of the following year of a municipality's fiscal year end. This report is categorized by fund and shows as of year end (a) a balance sheet, (b) a statement of revenues, (c) a statement of expenditures, (d) an analysis of fund balances, (e) a statement of indebtedness and (f) any other particular fund data that is required.

Budgetary appropriations are necessary for all payments. Encumbrance accounting is utilized to guard against the creation of liabilities in excess of appropriations.

The County annually retains independent certified public accountants to conduct an audit of its financial statements.

Financial Statements

The County retains BST & Co. CPAs, LLP as independent Certified Public Accountants. The financial affairs of the County are also subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the County has complied with the requirements of various State and Federal statutes.

The County complies with the Uniform System of Accounts as prescribed for Counties in New York State. This system conforms to generally accepted accounting principles as promulgated in the "Codification of Governmental Accounting and Financial Reporting Standards," as published by the Governmental Accounting Standards Board, in conjunction with the Government Accounting Research Foundation of the Government Finance Officers' Association.

Investment Policy

The Albany County Legislature's responsibility for administration of the investment program is delegated to the Commissioner of Management and Budget, as chief investment officer, as derived from Article 5 (Section 502-c) of the County Charter. The chief investment officer shall establish written procedures which shall include the operation of the investment program consistent with these investment guidelines.

The chief investment officer shall be guided in his implementation of the investment policy by an Investment Advisory Board. The Investment Advisory Board shall consist of six members, three of which shall be appointed by the County Executive, one of which shall be appointed by the County Comptroller, one of which shall be appointed by the Majority Leader of the County Legislature and one of which shall be appointed by the Minority Leader of the County Legislature. The chief investment officer and the Investment Advisory Board shall meet no less frequently than quarterly and will review the performance of the County's investment program. The Board will report to the County Executive no less than annually on such performance. The Investment Advisory Board will also be responsible for reviewing any proposed changes to this policy and recommending to the County Executive, no less than annually, any amendments which it feels the County Executive should submit to the County Legislature for its consideration.

A list will be maintained of financial institutions authorized to provide investment services. In addition, a list also will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of \$10,000.00 and at least five years of operation). These may include "primary" dealers of regional dealers that qualify under the Securities and Exchange Commission Rule 15c3-1 (uniform net capital rule). An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the chief investment officer.

From time to time, the chief investment officer may choose to invest in instruments offered by minority and community financial institutions. In such situations, a waiver to the criteria, except in terms of conflicts of interest, may be granted. All terms and relationships will be fully disclosed prior to purchase and will be reported to the

appropriate entity on a consistent basis and will be constants with New York State and applicable local law. These types of investment purchases will be approved in advance by the Albany County Legislature.

As authorized by the General Municipal Law (“GML”), the Albany County Legislature authorizes the chief investment officer to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments: (a) Special time deposit accounts; (b) Certificates of deposit; (c) Obligations of the United States of America; (d) Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (e) Obligations of the State of New York; (f) Obligations issued pursuant to LFL S24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than Albany County; (g) Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments; (h) Certifications of Participation (COPs) issued pursuant to GML, Section 109-b; (i) Obligations of Albany County, but only with any moneys in a reserve fund established pursuant to GML, Section 6-c, 6-d, 6-e, 6-g, 6-h, 6-i, 6-j, 6-k, 6-m, or 6-n; or (j) Any other investment authorized by the General Municipal Law.

Real Property Tax

The following table sets forth total general fund revenues and Real Property Tax revenues during the last five audited fiscal years and the amounts budgeted for the current fiscal year.

	<u>Property Taxes</u>		
Fiscal Year Ended December 31	<u>Total Revenues</u> ⁽¹⁾	Real Property Taxes	Real Property Taxes to Revenues (%)
2017	\$550,051,297	\$88,098,624	16.02%
2018	571,016,194	90,605,328	15.87
2019	575,283,483	88,459,692	15.38
2020	541,589,990	85,036,624	15.70
2021	630,489,851	93,642,319	14.85
2022 (Adopted Budget)	640,056,623	96,902,250	15.14

(1) General Fund.

Source: Audited Financial Statements and Adopted Budget of the County.
Summary itself is not audited.

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Sales and Use Taxes

The following table sets forth total general fund revenues and Sales and Use Tax revenues during the last five audited fiscal years and the amount budgeted for the current fiscal year.

Fiscal Year Ended December 31	<u>Total Revenues</u> ⁽¹⁾	<u>Sales & Use Tax</u>	Sales & Use Tax to <u>Revenues</u>
2017	\$550,051,297	\$259,185,298	47.12%
2018	571,016,194	275,254,791	48.20
2019	575,283,483	285,183,963	49.57
2020	541,589,990	269,286,682	49.72
2021	630,489,851	329,426,255	52.25
2022 (Adopted Budget)	640,056,623	295,509,274	46.17

(1) General Fund.

Source: Audited Financial Statements and Adopted Budget of the County.
Summary itself is not audited.

State and Federal Aid

For the fiscal year 2021, based on audited results, \$74,996,876 in State monies were received by the County, amounting to approximately 11.9% of total County General Fund Revenues.

Federal aid also constitutes a significant portion of County General Fund Revenues. Federal aid for the 2021 fiscal year, based on audited results, was \$72,578,617 amounting to approximately 11.5% of County General Fund Revenues.

Other Post Employment Benefits

Accounting rule, GASB Statement No. 45 (“GASB 45”) of the Governmental Accounting Standards Board (“GASB”) has been replaced by GASB Statement No. 75 (“GASB 75”), which requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

Under GASB 75, based on actuarial valuation, an annual required contribution (“ARC”) will be determined for each state or local government. 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 municipality 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. There is no longer an amortized liability like under GASB 45, but now reflects the full liability.

GASB 75 does not require that the unfunded liabilities actually be funded, only that the County account for its unfunded accrued liability and compliance in meeting its ARC. Actuarial valuation will be required every 2 years for the County.

The County is in compliance with the requirements of GASB 75 as was required by the end of the County's 2019 fiscal year. It has been determined that the County's actuarial accrued liability ("AAL") for OPEB as of December 31, 2021 was approximately \$502,968,070.

Employees

As of May 2, 2022, the County provides services through approximately 2,294 full and part-time employees, some of whom are represented by the labor unions listed below. County employees are represented by eight labor organizations and labor relations between the County and the eight labor organizations have been reasonable and amicable.

<u>Labor Unit</u>	<u>Approximate Number of Employees Represented</u>	<u>Contract Expiration Date</u>
CSEA – 8 units. Public Works, Social Services/DCYF, Non-Secure Personnel, Mental Health, Health, General Services, County Clerk, E911 Telecommunicators	747	12/31/21 ⁽¹⁾
CSEA Water Purification	51	12/31/21 ⁽¹⁾
Teamsters Local 294		
Law Enforcement	32	12/31/21 ⁽¹⁾
DA Investigators	8	12/31/21 ⁽¹⁾
Corrections	39	12/31/21 ⁽¹⁾
Public Employees Federation - Probation Dept.	84	12/31/21 ⁽¹⁾
Albany County Sheriff Deputy's PBA	93	12/31/21 ⁽¹⁾
Council, AFSCME Corrections Local 775	227	12/31/21 ⁽¹⁾
SEIU RN Unit	4	12/31/23
SEIU Service & Maintenance Unit	148	12/31/23
NYS United Teachers	56	12/31/22
United Public Service Employees Union	70	12/31/21 ⁽¹⁾

(1) Currently in negotiation.

Status and Financing of Employee Pension Benefits

The County participates in the New York State and local Employees' Retirement System (ERS) and the Public Employees' Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

Contributions equal to 3% of salary are required of employees, except for employees who joined prior to July 27, 1976, and for those who have ten or more years of credited service. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The County is required to contribute at an actuarially determined rate. The required contributions for the following years were:

<u>Year</u>	<u>ERS</u>
2017-18	\$21,878,888
2018-19	22,253,232
2019-20	22,563,480
2020-21	22,304,384
2021-22	24,496,994

The County's current contribution to ERS is due on or before February 1 of each year. Such contribution is based on salaries estimated to be paid during the fiscal year ending on March 31 of the next calendar year.

The County's contributions made to the Systems were equal to 100% of the contributions required for each year. The County has prepaid the amounts due in February 2018 through February 2022 on each prior December 15th. For the payment due February 1, 2018, the County prepaid \$21,878,888 on December 15, 2017 with no amortized amount. For the payment due February 1, 2019, the County prepaid \$22,253,232 on December 17, 2018 with no amortized amount. For the payment due February 1, 2020, the County prepaid \$22,563,480 on December 16, 2019 with no amortized amount. For the payment due February 1, 2021, the County prepaid \$22,304,384 on December 15, 2020 with no amortized amount. For the payment due February 1, 2022, the County prepaid \$24,496,994 on December 15, 2021 with no amortized amount.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which provides for a new Tier VI for employees hired after April 1, 2012. This pension tier has progressive contribution rates between 3% and 6%; it increased the retirement age for new employees from 62 to 63 and included provisions allowing early retirement with penalties. Under Tier VI, the pension multiplier is 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime used to determine an employee's pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan for new non-union employees with salaries of \$75,000 or more.

Budgetary Process

The County Executive is responsible for submitting to the County Legislature on or before October 10 of each year a proposed budget and a capital expenditures program for the coming fiscal year. The Commissioner of the Office of Management and Budget develops a complete financial plan on behalf of the County Executive setting forth anticipated revenues and proposed appropriations and expenditures including debt service.

In addition to the proposed budget, the County Executive is required to submit to the County Legislature a budget message which shows that total estimated expenditures are less than or equal to total estimated income for the ensuing fiscal year. Estimated income and expenditures are compared with actual receipts and expenditures for the last completed fiscal year. The message also enumerates the County's financial policies with respect to the proposed capital program and the details of financing and maintaining proposed projects.

The County Legislature reviews the budget, reports out its recommendations no later than November 20 and holds a public hearing not later than December 1. After the conclusion of the public hearing the County Legislature may change items as it sees fit, except for debt service or appropriations required by law. Decreases are not subject to the approval or veto of the County Executive. Increases recommended by the County Legislature must be approved by the County Executive or passed over an executive veto by a two-thirds majority vote of the Legislature, unless the County Executive fails to respond to the legislative changes by December 12.

The amount of all taxes, except as expressly provided by law, becomes a lien on assessed property as of January 1 of the fiscal year for which levied and remains a lien until paid.

The County Legislature may make supplemental appropriations during the course of the fiscal year to the extent that actual revenues exceed anticipated revenues. It may only make emergency appropriations to meet a public emergency affecting life, health or property and, to the extent necessary, may finance such emergency appropriation by the issuance of obligations pursuant to the Local Finance Law. If anticipated revenues appear to be insufficient to meet budgeted appropriations, the County Executive must report to the County Legislature without delay stating the problem and his recommendation for remedial action. The County Legislature may reduce appropriations, except for appropriations for debt service, expended appropriations and amounts required by law to be appropriated, or borrow temporarily pursuant to the Local Finance Law an amount not greater than the anticipated deficit.

REAL PROPERTY TAXES

Property Tax Collection and Delinquency Procedures

The County assesses its tax upon the towns and cities within the County. Each town or city collects taxes for itself, the County and the school or fire districts in its area. The towns and cities retain the full amount of their tax budgets and give the balance and any uncollected taxes to the County.

The County procedure for collection on delinquencies, as specified in the New York State Real Property Tax Law consists of four steps: issuance of notice of tax lien, tax sale, foreclosure and auction of the property.

After the tax lien sale the County must wait two years, or four years in the case of owner-occupied one or two-family dwellings, before commencing an in rem foreclosure action and thereafter obtaining a final judgment pursuant to Article 11 Title 3 of the Real Property Tax Law which allows public auction proceedings to begin.

Constitutional Real Estate Tax Limit

In accordance with Section 10 of Article VIII of the State Constitution the amount which may be levied in the County by taxes on real estate in any fiscal year for County purposes, in addition to providing for the principal of and interest on all indebtedness, may not exceed an amount equal to 1.5% of the five year average full valuation of taxable real estate of the County, less certain deductions.

Constitutional Tax Limit

	<u>2022</u>
Five-Year Average, Full Valuation	\$ 27,615,543,504
Tax Limit (1.5%)	414,233,153
Total Levy	99,752,250
Total Exclusions	<u>13,274,563</u>
Tax Levy Subject to Limit	<u>86,477,687</u>
Tax Margin	\$ <u>327,755,466</u>

Tax Levy and Collection Record

Tax Levy and Collection Record **Fiscal Year Ending December 31**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
County Taxes	\$ 92,778,136	\$ 92,951,395	\$ 95,060,342	\$ 98,873,701	\$ 99,752,250
Town Taxes	161,708,750	164,567,600	166,356,548	178,025,525	178,258,074
Returned School Tax and Penalties	<u>11,872,136</u>	<u>10,576,385</u>	<u>10,017,957</u>	<u>10,430,539</u>	<u>10,478,142</u>
Total Tax Levy	<u>\$ 266,359,022</u>	<u>\$ 268,095,380</u>	<u>\$ 271,434,847</u>	<u>\$ 287,329,765</u>	<u>\$ 288,488,466</u>
Returned to County as Uncollected:					
Amount	\$ 22,207,936	\$ 22,461,348	\$ 26,495,650	\$ 23,990,382	\$ 8,851,432
Percent	8.34%	8.38%	9.76%	8.35%	3.07%
Uncollected at Aug. 31, 2022:					
Amount	\$ 5,562,947	\$ 6,947,903	\$ 9,137,934	\$ 12,150,705	\$ 6,100,985
Percent	2.08%	2.59%	3.37%	4.23%	2.11%

Tax Levy Limit Law

On June 24, 2011, Chapter 97 of the 2011 Laws of New York was signed into law by the Governor (the “Tax Levy Limit Law”). The Tax Levy Limit Law, as amended, applies to all local governments, including school districts (with the exception of New York City, the counties comprising New York City and the Big 5 City School Districts (Buffalo, Rochester, Syracuse, Yonkers and New York). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limit Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limit Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limit Law, 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, the Police and Fire Retirement System, and the Teachers’ Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year. The County has not exceeded the tax levy limitation in the past five years.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the tax levy limitation provisions. There is also no exception under the Tax Levy Limit Law for the payment of amounts due under the Financing Agreement between the County and DASNY with respect to the Series 2022 Bonds.

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. This has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N. Y.2d 731 (1976), as follows:

"A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit", are used and they are not tautological. That is what the words say and that is what courts have held they mean."

Article 8 Section 12 of the State Constitution specifically provides as follows:

"It shall be the duty of the legislature, subject to the provisions of this constitution, to restrict the power of taxation, assessment, borrowing money, contracting indebtedness, and loaning the credit of counties, cities, towns and villages, so as to prevent abuses in taxation and assessments and in contracting of indebtedness by them. Nothing in this article shall be construed to prevent the legislature from further restricting the powers herein specified of any county, city, town, village or school district to contract indebtedness or to levy taxes on real estate. The legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted."

On the relationship of the Article 8 Section 2 requirement to pledge the faith and credit and the Article 8 Section 12 protection of the levy of real property taxes to pay debt service on bonds subject to the general obligation pledge, the Court of Appeals in the Flushing National Bank case stated:

"So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted. While phrased in permissive language, these provisions, when read together with the requirement of the pledge of faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded."

In addition, the Court of Appeals in the Flushing National Bank case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of municipalities.

Therefore, while the Tax Levy Limit Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limit Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limit Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

It is possible that the Tax Levy Limit Law will be subject to judicial review to resolve the constitutional issues raised by its adoption.

Valuations and Taxes

Trend of Valuations and Taxes For the Fiscal Years Ending December 31:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Assessed Valuation	\$20,351,747,806	\$20,563,496,364	\$20,536,048,419	\$21,992,620,503	\$22,865,612,641
Full Valuation	26,035,931,645	26,056,527,362	27,822,746,869	28,521,289,128	29,641,222,516
General Fund Levy	92,496,319	92,692,544	94,886,294	97,532,487	99,752,250
Tax Rate Per \$1,000					
Full Valuation	\$3.55	\$3.56	\$3.41	\$3.42	\$3.37

Source: County Officials

Selected Listing of Large Taxable Properties 2022 Final Assessment Rolls⁽¹⁾

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
National Grid	Utility	\$ 621,495,391
Crossgates Mall Co.	Shopping Center	233,156,139
New York Central Lines (CSX)	Railroad	103,581,546
Northeast IP Holdings	Commercial	57,976,700
KRE Colonie Owner, LLC	Shopping Center	56,800,000
Stuyvesant Plaza	Shopping Center	51,589,000
Verizon	Utility	50,398,056
Selkirk Cogen Partners	Utility	50,000,000
Woodlake Associates	Apartments	44,798,000
RP Associates of Albany	Apartments	43,344,631
	Total:	<u>\$1,313,139,463</u>

Source: 2022 Assessed Valuation and Full Valuation is based upon the 2022 Final Assessment Rolls. Data is effective as of July 1.

HISTORICAL DISCLOSURE COMPLIANCE

In order to assist the Purchaser of the Series 2022 Bonds 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”) with respect to the Series 2022 Bonds, the County will execute a Continuing Disclosure Agreement, the form of which is attached to the Official Statement as Appendix F.

The County has established procedures to ensure that future filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting such filings to the Municipal Securities Rulemaking Board (“MSRB”) established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, through the Electronic Municipal Market Access System (“EMMA”).

Compliance History

On August 20, 2019, the County linked its previously timely made annual financial filings on EMMA for its audited financial statements and annual financial information for the fiscal years ended December 31, 2016, 2017 and 2018 which did not correctly link to its base CUSIP 01212P.

On July 31, 2020, the County made a late filing of the notice of defeasance in connection with the refunding of its General Obligation Serial Bonds – 2011, which mature in the years 2020 to 2025, inclusive. Such bonds were economically defeased with proceeds from the sale of the County’s \$9,450,000 Refunding Serial Bonds – 2019 Series B, which closed on September 24, 2019.

The County previously included a table in its Official Statements from the U.S. Census for Comparative Housing Stock in the County and the State. Since this data is only updated every ten years, it has been omitted from recent Official Statements.

LITIGATION

Existing Claims Against the County. There are pending against the County a number of claims and formal lawsuits wherein monetary damages among other relief is sought. Procedural statutes in the State prohibit claimants and plaintiffs from including in their initiating papers the specific monetary damages they deem themselves entitled to. In addition, when the County is given formal notice by claimants and/or plaintiffs of their monetary damages, they are often extremely inflated. As a result, it is difficult for the County to provide an accurate figure as to specific monetary damages claimed. However, the majority of these claims and lawsuits are expected to be adequately covered by insurance, and thus not have a material impact on the County’s financial position.

Personal Injury Actions. The County is involved in less than 50 lawsuits and administrative proceedings arising out of the operation and administration of County affairs for which exposure of \$20,000 or more has been estimated. Many of these actions involve personal injury claims, for which estimates of liability are established annually by the County Attorney, to the extent that they can be by law.

Summary. In the opinion of the County Attorney, the resolution of these lawsuits and claims will not have a material impact on the County’s financial position. In the event insurance is incapable of covering the full amount of any judgments upon such claims, and the amount of any such judgment is sufficient to materially affect the financial condition of the County, the County would be able to issue bonds to finance the judgment for a term of up to fifteen (15) years. Since the County has only used 17% of its bonding capacity as of the date of this Official Statement, the bonding of any such judgments would be well within the debt limit of the County.

IRS Review. In the course of its general review of tax-exempt bond issues, the Internal Revenue Service (the "IRS") conducted a review of a County bond issue from 2006 (the "Prior Bonds"). The IRS indicated to the County that the Prior Bonds were randomly selected for review in connection with the IRS’s ordinary procedures. The County cooperated fully with the IRS in its review of the Prior Bonds, and the review was concluded without any material adverse impact to the County. The proceeds from the sale of the Prior Bonds were used to fund various typical County capital projects.

MARKET FACTORS

There are certain potential risks associated with an investment in the Series 2022 Bonds, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The financial and economic condition of the County as well as the market for the Series 2022 Bonds could be affected by a variety of factors, some of which are beyond the County’s control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Series 2022 Bonds. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the County to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Series 2022 Bonds, could be adversely affected.

There can be no assurance that the State appropriation for State aid to municipalities and school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the County, including OCFS Funds, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of

the State budget and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the County, including OCFS Funds, can be paid only if the State has such monies available therefor.

If and when a holder of any of the Series 2022 Bonds should elect to sell a Series 2022 Bond prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Series 2022 Bonds. In addition, the price and principal value of the Series 2022 Bonds is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond will decline, causing the bondholder to incur a potential capital loss if such bond is sold prior to its maturity.

Amendments to the U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Series 2022 Bonds and debt issued by the County. Any such future legislation could have an adverse effect on the market value of the Series 2022 Bonds.

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, including the County, school districts, and fire districts in the State could have an impact upon operations of the County and as a result, the market price for the Series 2022 Bonds. (See "REAL PROPERTY TAXES – *Tax Levy Limit Law*" herein.)

CYBERSECURITY

The County, like other large private and public entities, relies on a large and complex network of technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the County faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the County's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. The County is updating and implementing appropriate cybersecurity policies as well as adopting best practice methodologies which will include an annual comprehensive security audit performed by a third party. Additionally, the County has implemented on a routine basis numerous security features for its computing environments and mandated ongoing employee training to improve its overall security posture. However, no assurance can be given that the County's security and operational control measures will be successful in guarding against all cybersecurity threats. As cybersecurity threats continue to evolve, the County may in the future be required to expend significant additional resources to strengthen security measures, investigate and remediate any vulnerabilities or invest in new technology designed to mitigate security risks. The result of any successful attack on the County's computer and information technology systems could impact its operations and the costs of remedying any damage could be substantial.

COVID-19

The outbreak of COVID-19, a serious respiratory disease caused by a novel strain of coronavirus, which was first detected in China in December of 2019 and has since spread world-wide, was declared a pandemic by the World Health Organization on March 11, 2020.

Economic Impacts

The outbreak of COVID-19 has drastically affected travel, commerce and financial markets globally. As almost all nations have experienced a rise in infections and implemented containment measures that in the case of some nations (including the United States) have been drastic, economies have suffered in the extreme. The full impact is difficult to predict due to uncertainties regarding the duration and severity of the COVID-19 pandemic, but some economists have predicted that the short-term economic fallout will be worse than the 2008-09 global financial crisis. The World Trade Organization estimated that world trade would fall by between 13% and 32% in 2020, and news outlets have reported on supply chain problems as the pandemic spreads to different countries around the world.

Federal Response

The federal government passed several pieces of legislation in response to the COVID-19 pandemic including the \$2.3 trillion CARES Act, which attempt to address financial stability and liquidity issues through a variety of stimulus measures.

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 on the one-year anniversary of COVID-19 being declared a global pandemic by the World Health Organization. This act is an additional \$1.9 trillion coronavirus relief bill and is one of the biggest stimulus plans in U.S. history. The plan provides

\$350 billion in relief to state, local, and tribal governments. The County received approximately \$59.3 million in direct relief - half of which was paid in May 2021 and the second half of which was paid in June 2022.

Stimulus Measures for Individuals and Businesses. Individual taxpayers who meet certain income limits received direct cash payments from the federal government. Unemployment rules were changed to allow self-employed workers, independent contractors and others who would not normally qualify to receive benefits, and unemployment insurance recipients to receive an additional \$600 per week payment for up to four months.

Businesses benefited from various federal tax law changes, including a payroll tax credit. Air carriers and businesses critical to national security are eligible for direct loans and loan guarantees from the Treasury, and the Federal Reserve has received financial support for its lending programs. Smaller businesses have been incentivized to keep workers in their jobs through the Paycheck Protection Program (offering short-term loans that can be forgiven in whole or in part).

The American Rescue Plan extended a \$300 per week jobless aid supplement and programs making millions more people eligible for unemployment insurance through September 6, 2021. The plan also made an individual's first \$10,200 in jobless benefits tax-free. The plan also sent \$1,400 direct payments to most Americans and their dependents. The plan expanded the child tax credit for one year. It increased to \$3,600 for children under 6 and to \$3,000 for children between 6 and 17. The plan also provided nearly \$30 billion in aid to restaurants, expands an employee retention tax credit designed to allow companies to keep workers on payroll, includes \$25 billion in rental and utility assistance and \$10 billion for mortgage aid.

The American Rescue Plan offered \$350 billion in relief to state, local, and tribal governments. The County received \$59.3 million in direct relief and the City of Albany, the County's largest municipality, received \$85.3 million. The State received a total of \$23.8 billion from the plan: \$12.6 billion for state government; \$6.1 billion for cities; \$3.9 billion for counties; \$825 million for small cities, towns, and villages; and \$358 million for a statewide broadband investment program.

State Response

Executive Orders. The Governor of the State has released a number of executive orders in response to the COVID-19 pandemic, including various mandates requiring "non-essential" employees to work from home. Starting on May 15, 2020, regions of the State that met certain criteria were allowed to begin reopening. Reopening occurred in phases, with different industries allowed to open in each phase. However, in response to rising COVID-19 infection rates, the Governor announced a new cluster action initiative in October of 2020. Working with public health experts, the State developed a science-based approach to contain these clusters and stop any further spread of the virus, including new rules and restrictions directly targeted to areas with the highest concentration of COVID cases and surrounding communities. The initiative will divide clusters and surrounding areas into three categories with successively higher restrictions within each category: Yellow Zone (precautionary), Orange Zone (warning) and Red Zone (cluster itself). See <https://forward.ny.gov/> for more details on the relevant industry-specific guidelines provided by the Department of Health for each cluster zone. Reference to website implies no warranty of accuracy of information therein.

State Budget. The City of New York has been the epicenter of the COVID-19 pandemic in the United States, and as a result the State has suffered (and expects to continue to suffer) significant revenue shortfalls and unanticipated expenses. At the time that the State budget was being finalized in early April, the Budget Director estimated that, due to COVID-19, the State would suffer an anticipated budget gap of \$10-\$15 billion.

To mitigate such a potential gap, the State's adopted budget for the fiscal year ending March 31, 2021 allowed the State to reduce expenditures (including aid to local school districts and municipalities) if, during certain defined periods in 2020 (i.e., April 1 - April 30, May 1- June 30, and July 1 - December 31), tax receipts were lower than anticipated or disbursements from the State's general fund were higher than anticipated. In such a scenario, the State Budget Director would develop a plan to make spending reductions. The State Budget Director's plan would take effect automatically unless the Legislature passes its own plan within ten days. Such reductions could later be restored under certain circumstances.

While the impacts of COVID-19 on the global, federal, State and local economy cannot be predicted with any certainty, the pandemic will almost certainly have a significant adverse effect on the County's finances.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the County upon any judgment or accrued claim against the County shall not exceed nine per centum per annum.

In accordance with the general rule with respect to municipalities, judgments against the County may not be enforced by levy and execution against property owned by the County.

The Federal Bankruptcy Code allows public bodies such as the County recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State (including the County) to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

Under the Federal Bankruptcy Code, a petition may be filed in Federal bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Code also requires the municipality to file a plan for the adjustment of its debts, which may modify or alter the rights of creditors and would authorize the Federal bankruptcy court to permit the municipality to issue certificates of indebtedness, which could have priority over existing creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite majority of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it. The County has the legal capacity to file a petition under the Federal Bankruptcy Code.

It might be asserted that under the Federal Bankruptcy Code interest and principal payments made by the County in respect of its indebtedness within ninety days of the filing of a bankruptcy petition with respect to the County were voidable preferences. If these assertions were made and sustained by the bankruptcy court, the recipients of those preferential payments could be required to refund them, and their claims would then be treated as if the preferential payments had not been made.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of the Local Finance Law enacted at the 1975 Extraordinary Session of the State Legislature, authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has ever been declared with respect to the County.

Notwithstanding the foregoing provisions relating to limitation of remedies upon a default on indebtedness of the County, the Financing Agreement does not constitute indebtedness of the County for purposes of the State Constitution or the Local Finance Law of the State. The Financing Agreement is not a general obligation of the County. Neither the faith and credit nor the taxing power of the County are pledged to the payment of any amount due or to become due under the Financing Agreement.

End of Appendix B

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT

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SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT

The following is a brief summary of certain provisions of the Agreement. This summary does not purport to be complete and reference is made to the Agreement for full and complete statements of such and all provisions. The headings below are not part of the Agreement but have been added for ease of reference. Defined terms used herein shall have the meaning ascribed to them in Appendix A.

Financing Clauses

(A) *Financing Consummation.* Subject to the conditions and in accordance with the terms of the Agreement, the Issuer agrees to make the proceeds of the Series 2022 Bonds available to the County and the County agrees to accept and repay the Financing in an aggregate principal amount of up to the Principal Amount at a net interest cost not to exceed the Maximum Rate.

(B) *Payment to Trustee.* On the dates set forth in the Agreement, the County will deposit or cause to be deposited with the Trustee the full amount of the payment due on such dates, respectively; provided, however, that the County agrees to pay the amount due on such initial payment date on or before the date of issuance of the Series 2022 Bonds or on such other date as may be set forth in the Agreement. Amounts so deposited by the County prior to the payment date for the Series 2022 Bonds will be invested by the Trustee at the direction of the Issuer. Investment earnings on such amounts will accrue to the benefit of the County and will be paid to the County at the direction of the Issuer in accordance with the section of the Agreement described below under the heading “Application of Interest Earnings.”

(C) *Pledge and Assignment.* The County assigns and pledges to the Issuer a sufficient portion of any and all public funds to be apportioned or otherwise to be made payable by the State Office of Children and Family Services to the County to cover the payments required by the Agreement and directs and acknowledges that such amounts will be paid directly to the Trustee as provided in the Act and the Memorandum of Understanding upon the failure of the County to pay any amounts due under the Agreement. Such assignment and pledge is irrevocable, will not be subject to annual appropriation by the County, and will continue until the date on which the liabilities of the Issuer and the County with respect to the Project have been discharged and the County’s Proportionate Share of the Series 2022 Bonds has been paid or otherwise discharged. The County agrees that it will not create or suffer to be created any pledge or assignment of the public funds mentioned in the Agreement to be apportioned or otherwise payable by the State other than pledges or assignments to secure subsequent Series of the Bonds or to secure bonds issued by any agency or instrumentality of the United States of America or the State of New York or any authority, agency or political subdivision thereof, or as otherwise consented to in writing by the Issuer.

(D) *Nature of Financing.* The County is obligated only to pay such Financing payment as may lawfully be made from funds budgeted and appropriated for that purpose during the County’s then-current fiscal year. The County agrees to deliver notice to the Issuer and the Trustee promptly after any decision to not appropriate is made. For purposes of Section 1680 of the Public Authorities Law of the State of New York, the Issuer and the County agree that the Agreement shall be deemed executory only to the extent of the monies appropriated and available for the purpose of the Agreement, and no liability on account therefor shall be incurred beyond the amount of such monies. It is understood that neither the Agreement nor any representation by any public employee or officer creates any legal or moral obligation to request, appropriate or make available monies for the purpose of the Agreement. The Agreement shall not constitute indebtedness of the County for purposes of the State Constitution or Section 20.00 of the Local Finance Law. The Agreement is not a general obligation of the County. Neither the faith and credit nor the taxing power of the County are pledged to the payment of any amount due or to become due under the Agreement.

(E) *Bankruptcy.* The County acknowledges, stipulates and agrees in the Agreement that as a result of the County’s operation of its support system providing services to its residents in need of help in areas including but not limited to child support, food, housing and medical services, the County receives payments from the State Office of Children and Family Services, and that such payments have been pledged by the County pursuant to the Agreement in order to secure the County’s payment obligations under the Agreement. The County further acknowledges, stipulates and agrees in the Agreement that those State Office of Children and Family Services payments constitute “special revenues” as defined in 11 U.S.C. Section 902, and that pursuant to 11 U.S.C. Section 922(d), the filing of a petition under Chapter 9 of Title 11 of the United States Code shall not prohibit the State Office of Children and Family Services payments from being collected pursuant to the Memorandum of Understanding and the County shall

be obligated to cooperate in all respects to ensure receipt of the State Office of Children and Family Services payments in accordance with the Memorandum of Understanding.

(Section 3.1)

Other Amounts Payable

(A) The County expressly agrees to pay to the Issuer:

(i) Upon the issuance and sale of the Series 2022 Bonds, the initial financing fee and the County's Proportionate Share (or such other portion thereof as shall be agreed upon by the County and the Issuer) of the costs and expenses of the Issuer in the preparation, sale and delivery of the Series 2022 Bonds, the preparation and delivery of any legal instruments, closing transcripts and documents necessary in connection therewith and with the Agreement and its filing and recording, if required, and all taxes and charges payable in connection with any of the foregoing, all as specified in the Notice of Terms. Such costs are payable from the sources identified in the Agreement and in the amount specified in the Notice of Terms;

(ii) When due, other Costs of Issuance payable to consultants and attorneys utilized by the County in connection with the execution and delivery of the Agreement;

(iii) In semi-annual installments to be paid by the County at the same time as payments to be made by the County as described above under "Financing Clauses—*Payment to Trustee*", the Annual Administrative Fee of the Authority in the amount of (x) \$27,750 annually for the first ten years, and (y) \$8,000 annually thereafter;

(iv) As such expenses are incurred, the amount of any the Issuer expenses (including but not limited to investment losses and the reasonable fees and expenses of the Issuer, the Trustee, the owners of Series 2022 Bonds, and attorneys representing any of the foregoing) incurred as a result of the County's failure to make any payment under the Agreement when due or failure to otherwise comply with the terms of the Agreement; and

(v) In the event that after the date set forth in the Agreement the County does not proceed to the closing of the Financing, the fees of the Issuer's bond counsel incurred with respect to the Financing.

(B) *Indemnification.* To the extent permitted by law, the County agrees to indemnify, defend and hold harmless the Issuer and each member, officer and employee of the Issuer 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 from or out of (1) the Financing by the Issuer to the County, or (2) an allegation that an official statement, prospectus, placement memorandum or other offering document prepared in connection with the sale and issuance of the Series 2022 Bonds contained an untrue or misleading statement of a material fact obtained from the County relating to the County or the Project, or omitted to state a material fact relating to the County 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 Issuer nor a member, officer or employee of the Issuer 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 Issuer, such member, officer or employee.

The Issuer agrees to give the County prompt notice in writing of the assertion of any claim or the institution of each such suit, action or proceeding and to cooperate with the County in the investigation of such claim and the defense, adjustment, settlement or compromise of any such action or proceeding. the Issuer will not settle any such suit, action or proceeding without the prior written consent of counsel to the County.

Except as provided in the following paragraph, the County, at its own cost and expense, will defend any and all suits, actions or proceedings which may be brought or asserted against the Issuer, its members, officers or employees for which the County is required to indemnify the Issuer or hold the Issuer harmless, but this provision will not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for in the Agreement from its obligation to defend the County, the Issuer and any other insured named in such policy of insurance in connection with claims, suits or actions covered by such policy.

The Issuer and each member, officer or employee thereof will, at the cost and expense of the County, be entitled to employ separate counsel in any action or proceeding arising out of any alleged act or omission which

occurred or is alleged to have occurred while the member, officer or employee was acting within the scope of his or her employment or duties in connection with the issuance of the Series 2022 Bonds or use of the Project, and to conduct the defense thereof, in which (i) the counsel to the County determines, based on his or her investigation and review of the facts and circumstances of the case, that the interests of such person and the interests of the County are in conflict, or in the event such counsel determines that no conflict exists, a court of competent jurisdiction subsequently determines that such person is entitled to employ separate counsel, or (ii) such person may have an available defense which cannot as a matter of law be asserted on behalf of such person by the County or by counsel employed by it, or (iii) such person may be subject to criminal liability, penalty or forfeiture, or (iv) the County has consented to the employment of separate counsel or the counsel retained by the County pursuant to the Agreement is not reasonably acceptable to the Issuer; provided, however, that the County will not be liable for attorneys' fees of separate counsel so retained or any other expenses incurred in connection with the defense of an action or proceeding described in clause (iii) of this paragraph, unless the member, officer or employee has prevailed on the merits or such action or proceeding was dismissed or withdrawn, or an adverse judgment was reversed upon appeal, and such action or proceeding may not be recommenced. Attorney's fees of separate counsel retained in accordance with this paragraph will be paid only upon the audit of an appropriate County officer.

(Section 3.2)

Application of Financing Proceeds

(A) Subject to the conditions of the Agreement, the Issuer will, to the extent of moneys available in the Applicable Construction Account, cause the County to be reimbursed for, or pay, any costs and expenses incurred by the County that constitute Costs of the Project or any Cost of Issuance reimbursable to the County, provided such costs and expenses are approved by an Authorized Officer of the Issuer as follows:

(i) To the extent that moneys are available therefor, moneys in the Applicable Construction Account shall be disbursed as the construction of the Project progresses in amounts as shall be requested by the County pursuant to a request for disbursement as hereinafter provided to reimburse the County for, or to pay, any costs and expenses constituting Costs of the Project previously paid or then due that were incurred by the County in connection with the Project.

(ii) Prior to the Issuer making and delivering any certificate required to be delivered to the Trustee in connection with payments to be made pursuant to the Resolution for Costs of a Project, other than interest on Outstanding Series 2022 Bonds or any Cost of Issuance reimbursable to the County, the Issuer shall have received a certificate of the County substantially in the form provided in the Agreement.

(B) The County will receive the disbursements of moneys in the Applicable Construction Account to be made hereunder, and will hold the right to receive the same, as a trust fund for the purpose of paying the Costs of the Project for which each disbursement was made, and will apply the same first to such payment before using any part thereof for any other purposes.

(C) The County shall permit the Issuer and its authorized representatives, at all reasonable times and upon reasonable notice, to enter upon the property of the County and the Projects to inspect the Project and all materials, fixtures and articles used or to be used in construction of the Project, and to examine all documents relating thereto. The County agrees to retain all original documentation related to expenditures for items which constitute Costs of the Project for at least three (3) years after the last of the Series 2022 Bonds or any related refunding bonds are retired, for inspection at any time by the Issuer or its auditors.

(D) The County acknowledges and agrees that disbursements from the Applicable Construction Account are to be made by the Trustee and shall be made in accordance with the Resolution only upon receipt by the Trustee of the documents required by the Resolution to be executed and delivered in connection with such disbursements. The Issuer agrees to provide the County, upon request therefor, copies of requisitions, invoices and any related documents detailing payments made from the Construction Fund.

(Section 3.4)

Effective Date and Term

The date of the Agreement is for reference purposes only and the Agreement will become effective upon the date of execution and delivery of the Agreement, will remain in full force and effect from such date and will expire

on such date as all the Series 2022 Bonds are discharged and satisfied in accordance with the provisions thereof and all obligations of the County to the Issuer are satisfied.

(Section 3.6)

Trustee; Investment of Financing Proceeds and Prepayments

The County authorizes the Trustee to invest, in accordance with instructions of the Issuer, amounts that are held by the Trustee for the account of the County in accordance with the provisions of the Resolution. The County acknowledges that the Issuer and the Trustee will not be liable or responsible for any loss, direct or indirect, resulting from any investment authorized by the Resolution and the Agreement or from the redemption, sale or maturity of any such investment as therein authorized or from any depreciation in value of any such investment.

(Section 3.8)

Authorization to Acquire Investments

The County authorizes the Issuer to acquire the investments, if any, required by the Agreement, including forward purchase contracts.

(Section 3.10)

Application of Interest Earnings

The Issuer agrees that it will cause to be deposited in the Debt Service Fund the interest earned and paid on the investment of moneys in the Debt Service Fund. Pursuant to the Resolution, the Issuer agrees that, so long as no event of default has occurred under the Agreement, the Issuer will direct the Trustee to pay to the County annually the County's Proportionate Share (as determined by the Issuer) of excess amounts in the Debt Service Fund described in the Resolution.

(Section 3.11)

Compliance with Laws and Agreements

(A) *Compliance.* The County agrees that the Project will at all times during the term of the Agreement be in compliance with applicable federal and State laws and regulations. The County will at all times construct and operate (or cause to be constructed and operated) the Project, in compliance with all applicable federal, State and local laws, ordinances, rules, regulations (including approvals of the State Office for Children and Family Services) and the Agreement, and with all other applicable laws and regulations to the extent necessary to ensure the availability of the Project for its intended purposes and to ensure the safety of the public.

(B) *SEQRA.* The County certifies with respect to the Project that it has complied, and agrees to continue to comply, with all requirements of the State Environmental Quality Review Act.

(Section 4.1)

No Warranty Regarding Condition, Suitability or Cost of Project

The Issuer makes no warranty, either express or implied, as to the Project or its condition or that it is suitable for the County's purposes or needs, or that the proceeds of the Financing are sufficient to pay the costs of the Project. Nothing in the Agreement will relieve the County of its responsibility to properly plan, design, build and effectively operate and maintain the Project as required by laws, regulations, permits and good management practices. The County acknowledges and agrees that the Issuer or its representatives are not responsible for increased costs resulting from defects in the plans, design drawings and specifications or other Project documents.

(Section 4.2)

Construction of Project

(A) *Construction.* To the extent, if any, that the Project is not yet complete, the County agrees to ensure that the Project is constructed expeditiously.

(B) *Completion Certificate.* To the extent, if any, that the Project is not yet complete, the County will deliver to the Issuer a certificate of the County stating that the Project has been completed in accordance with the Agreement within seven (7) Business Days following such completion.

(Section 4.3)

Application of Financing Proceeds

The County will apply the proceeds of the Financing solely as provided in the Agreement.

(Section 5.1)

Tax Covenant

The County covenants that it will not take any action or inaction, nor fail to take any action or permit any action to be taken, with respect to the Project or its Proportionate Share of the proceeds of the Series 2022 Bonds made available to it as part of the Financing including amounts treated as proceeds of the Series 2022 Bonds for any purpose of Section 103 of the Code, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2022 Bonds under Section 103 of the Code. This provision will control in case of conflict or ambiguity with any other provision of the Agreement. Without limiting the generality of the foregoing, the County covenants that it will comply with the instructions and requirements of the Arbitrage and Use of Proceeds Certificate, which is fully incorporated into the Agreement. The County (or any related party within the meaning of Treasury Regulation Section 1.150-1(b)) will not, pursuant to an arrangement, formal or informal, purchase the Series 2022 Bonds in an amount related to the amount of any obligation to be acquired from the County by the Issuer. The County will, on a timely basis, provide the Issuer with all necessary information and funds to the extent required to enable the Issuer to comply with the arbitrage and rebate requirements of the Code.

(Section 5.2)

Covenant as to Restrictions on Religious Use

The County agrees that with respect to the Project or any portion thereof, so long as the Project or portion thereof exists and unless and until the Project or portion thereof is sold for the fair market value thereof, the 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, provided further, that if at any time after the date of the Agreement, 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 the Project or any portion thereof. The Issuer and its agents may conduct such inspections as the Issuer deems necessary to determine whether the Project or any portion of real property thereof refinanced by the Series 2022 Bonds is being used for any purpose proscribed under the Agreement. The County 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 Issuer, the use of such portion of the Project to the restriction that (i) so long as such portion of the Project (and, if included in the Project, the real property on or in which such portion of the Project is situated) will exist and (ii) until such portion of the 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 the 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 Issuer 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 the Project, or, if included in the 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 the Agreement 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 5.3)

Payment of the Financing

The County covenants and agrees that it will duly and punctually pay or cause to be paid the principal installments or redemption price of its Financing and the interest thereon, subject to annual appropriation, at the dates and places and in the manner stated in its Notice of Terms and in accordance with the section of the Agreement described above under the heading "Financing Clauses" and that such obligation will not be subject to any defense (other than payment) or any rights of setoff, recoupment, abatement, counterclaim or deduction and will be without

any rights of suspension, deferment, diminution or reduction it might otherwise have against the Issuer, the Trustee or the owner of any Series 2022 Bond.

(Section 5.4)

Actions Regarding State Office of Children and Family Services Aid

The County covenants and agrees that it will submit to the State Office of Children and Family Services all documentation required by the State Office of Children and Family Services as a condition to the payment of any aid from the State Office of Children and Family Services in sufficient time to permit such aid to be paid promptly.

(Section 5.5)

County Appropriation

The County intends, subject to the Agreement, to make all Financing payments due thereunder. The County reasonably believes that an amount sufficient to make all Financing payments due under the Agreement can be obtained from legally available funds of the County. The County covenants and agrees that it will include within each fiscal year budget during the term of the Agreement funds sufficient to discharge its obligation to make Financing payments due under the Agreement.

(Section 5.6)

Essential Use

During the term of the Agreement, the County covenants and agrees that the Project will be used by the County only for the purpose of performing essential governmental functions of the County consistent with the permissible scope of the County's authority. The County does not intend to sell or otherwise dispose of the Project or any interest therein prior to the last Financing payment scheduled to be paid under the Agreement.

(Section 5.7)

Defaults

An "event of default" or a "default" under the Agreement means any one or more of the following events: (a) Failure by the County to pay or cause to be paid when due the amounts to be paid under the Financing, other than a failure to pay pursuant the section of the Agreement described above under "Financing Clauses" due to an event of non-appropriation; (b) Failure by the County to pay or to cause to be paid when due any other payment required to be made under the Agreement, which failure continues for a period of thirty (30) days after payment thereof was due, provided that written notice thereof has been given to the County not less than thirty (30) days prior to the due date thereof, other than a failure to pay pursuant to the section of the Agreement summarized above under "Financing Clauses" due to an event of non-appropriation; (c) Failure by the County 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 paragraph and the section of the Agreement described above under the heading "County Appropriation", which failure continues for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the County by the Issuer 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 the County 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 the County contained in the Agreement shall have been at the time it was made untrue in any material respect; or (e) The County generally does not pay its debts as such debts become due, or admits in writing its inability to pay its debts generally, or makes a general assignment for the benefit of creditors; or any proceeding is instituted by or against the County 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 the County authorizes any of the actions set forth above in this subparagraph (e).

(Section 6.1)

Remedies

Whenever any event of default referred to in the Agreement and described under the heading "Defaults" above shall have happened and be continuing, the Issuer 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 the County, including requiring payment to the Trustee of any public funds otherwise payable to the County by the State Office of Children and Family Services as provided in the Memorandum of Understanding and any other administrative enforcement action and actions for breach of contract.

(Section 7.1)

No Remedy Exclusive

No remedy is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and in addition to every other remedy given under the Agreement or now or after the date of the Agreement existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it, it will not be necessary to give any notice, other than such notice as may be expressly required by the Agreement.

(Section 7.2)

Waiver and Non-Waiver

In the event any agreement is breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach under the Agreement. No delay or omission by the Issuer to exercise any right or power accruing upon default will impair any right or power or will be construed to be a waiver of any such default or acquiescence therein.

(Section 7.3)

Amendments, Supplements and Modifications

The Agreement may not be amended, supplemented or modified except by a written instrument executed by the Issuer and the County and, if such amendment occurs after the issuance of the Series 2022 Bonds, upon compliance with the provisions of the Resolution.

(Section 8.4)

Further Assurances; Disclosure of Financial Information, Operating Data and Other Information

(A) The County will, at the request of the Issuer, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be deemed necessary or desirable by the Issuer, in its sole discretion, for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by the Agreement. The County also agrees to furnish to the Issuer such additional information concerning the financial condition of the County as the Issuer may from time to time reasonably request.

(B) Without limiting the generality of the foregoing, the County agrees to comply with the terms of the Continuing Disclosure Agreement.

(C) If and so long as the offering of the Series 2022 Bonds continues (a) the County will furnish such information with respect to itself as the underwriters of the Series 2022 Bonds may from time to time reasonably request in writing and (b) if any event relating to the County occurs as a result of which it is necessary, in the opinion of Bond Counsel to the Issuer, General Counsel of the Issuer or counsel for such underwriters, to amend or supplement the preliminary and/or final official statement of the Issuer used in connection with the offering of the Series 2022 Bonds in order to make such information not misleading in light of the circumstances then existing, the County will forthwith prepare and furnish to the Issuer and the Underwriters such information relating to the County as may be necessary to permit the preparation of an amendment of or supplement to such preliminary and/or final official statement (in form and substance satisfactory to the Bond Counsel to the Issuer and counsel for the Underwriters) which will amend or supplement such preliminary and/or final official statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make statements therein, in light of the circumstances then existing, not misleading. Unless the County has been notified to the contrary in writing by the

Issuer or the Underwriters, the County is entitled to presume that the offering by the Issuer and that its obligations under this paragraph have ceased twenty-five (25) days after the date of delivery of the Series 2022 Bonds.

(Section 8.9)

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

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SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following is a brief summary of certain provisions of the Bond Resolution pertaining to the Series 2022 Bonds. This summary does not purport to be complete and reference is made to the Bond Resolution for full and complete statements of such and all provisions. The headings below are not part of the Bond Resolution but have been added for ease of reference only. Defined terms used herein shall have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

Resolution and Bonds Constitute a Contract

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

(Section 2.2)

Pledge of Resolution

The proceeds from the sale of the Bonds of a Series, the Revenues derived from the Applicable Agreement entered into in connection with the Bonds of such Series, the Issuer's security interest in the Applicable Pledged Revenues, the Issuer's security interests in the Applicable Series Resolution (other than the Unassigned Rights), and, except as otherwise provided in the Resolution, all funds and accounts established by or pursuant to the Applicable Series Resolution authorizing the issuance of such Series of Bonds are pledged by the Resolution and assigned to the Trustee as security for the payment of the principal and Redemption Price of and interest on the Applicable Series of Bonds and as security for the performance of any other obligation of the Issuer under the Resolution and under an Applicable Series Resolution authorizing the issuance of such Series of Bonds, all in accordance with the provisions of the Resolution and the Applicable Series Resolution.

The pledges made by the Resolution, subject to the adoption of an Applicable Series Resolution, are valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Bonds, the Revenues, all funds and accounts established by or pursuant to any Series Resolution which are pledged by the Resolution shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Issuer 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 of each Series shall be special obligations of the Issuer payable solely from and secured by a pledge of the proceeds from the sale of the Bonds of such Series, the Revenues, all the funds and accounts established by or pursuant to the Series Resolution authorizing the issuance of the Bonds of such Series which are pledged by the Resolution as provided in the Resolution.

The Bonds of each Series shall be separately secured one from another by the Applicable Agreement or Agreements entered into in connection with a particular Series of Bonds, and the Revenues and Pledged Revenues derived from such Applicable Agreement or Agreements, and only the Bonds of the Series in connection with which such Applicable Agreement or Agreements was entered into shall be secured by such Applicable Agreement or Agreements except as otherwise expressly permitted by the Resolution or the Series Resolution or Certificate of Determination relating to such Series and by the terms of the Applicable Agreement or Agreements.

Notwithstanding the foregoing, interest earnings on the Debt Service Fund held by the Trustee and properly allocable to one County may not be used to make up a deficiency caused by the failure of another County to pay its Basic Debt Service Payment.

(Section 2.3)

Assignment of Rights and Remedies to Trustee

As security for the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of, and interest on, the Outstanding Bonds of a Series and for the performance of each other obligation of the Issuer under the Resolution and for the performance of each other obligation of each Applicable County thereunder, under the Resolution the Issuer grants, pledges and assigns to the Trustee, all of the Issuer's estate, right, title, interest and claim in, to and under (other than the Unassigned Rights) each Applicable Agreement, together with all rights, powers, security interests, privileges, options and other benefits of the Issuer under such Applicable Agreements, including, without limitation, the immediate and continuing right to receive, enforce and collect (and to apply the same in accordance with the Resolution) all Applicable Revenues, Applicable Pledged Revenues, insurance proceeds, sale proceeds and other payments and other security now or hereafter payable to or receivable by the Issuer under such Applicable Agreements, including without limitation the right to make all waivers and agreements in the name and on behalf of the Issuer, as Trustee for the benefit of the Applicable Bondholders, and to perform all other necessary and appropriate acts under such Applicable Agreements. Such assignment shall be made by the execution and delivery to the Trustee of documents of assignment in form and substance reasonably acceptable to the Trustee. The Trustee shall accept such grant, pledge and assignment which acceptance shall be evidenced in writing and signed by an Authorized Officer of the Trustee in form and substance reasonably satisfactory to the Issuer.

Notwithstanding anything to the contrary in the Resolution or an Applicable Agreement, the Issuer shall have no obligation to and instead the Trustee, in accordance with the Resolution or such Agreement, shall have the right, without any direction from or action by the Issuer, to take any and all steps, actions and proceedings, to enforce any or all rights of the Issuer under the Resolution and such Agreement (other than the Issuer's Unassigned Rights), including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of the Applicable County under the Applicable Agreement.

(Section 2.4)

Additional Obligations

The Issuer 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 Issuer, so long as such bonds, notes or other obligations are not, or such other indebtedness is not, except as permitted by the Resolution, entitled to a charge, lien or right prior or equal to the charge or lien created by the Resolution, or prior or equal to the rights of the Issuer and Holders of Bonds as provided by the Resolution.

(Section 3.5)

Authorization of Redemption

Bonds subject to redemption prior to maturity pursuant to the Resolution or to a Series Resolution or a Certificate of Determination shall be redeemable, in accordance with the Resolution, at such times, at such Redemption Prices and upon such terms as may otherwise be specified in the Resolution or in the Series Resolution authorizing such Series or the Applicable Certificate of Determination.

(Section 5.1)

Optional Redemption

If permitted by the Series Resolution or Certificate of Determination relating to the Series of Bonds, an Applicable County shall give written notice, which notice has been acknowledged in writing by the Issuer, to the Trustee of its election or direction to redeem its Allocable Portion of the Series and of the principal amounts of the Bonds of each maturity of such Series to be redeemed. The Series, maturities and principal amounts thereof to be redeemed at the election or direction of the Issuer shall be determined by the Applicable County with respect to its Allocable Portion of such Bonds in its request to the Trustee, subject to any limitations with respect thereto contained in the Resolution or in the Series Resolution authorizing such Series or the Applicable Certificate of Determination. Such notice shall be given to the Trustee at least forty-five (45) days prior to the date on which such Bonds are to be redeemed, or such lesser number of days as shall be acceptable to the Trustee. Unless the notice of redemption required by the Resolution provides that the redemption is subject to the condition that moneys for payment of the Redemption Price is available on the redemption date, such notice shall not be given unless prior to the date such notice is given the Trustee then holds money for payment of the Redemption Price sufficient to redeem, on the redemption dates at the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, all of the Bonds to be so

redeemed. For purposes of determining the amount required to be paid pursuant to the preceding sentence when Variable Interest Rate Bonds are to be redeemed, the amount shall be determined in the manner established by the Series Resolution authorizing such Bonds or the Certificate of Determination applicable thereto.

(Section 5.2)

Mandatory Sinking Fund Redemption

Whenever by the terms of the Resolution or of the Series Resolution or Certificate of Determination relating to the Series of Bonds, the Trustee is required to redeem Bonds through the application of mandatory Sinking Fund Installments, unless otherwise provided in the Applicable Series Resolution or Certificate of Determination, the Trustee shall select the Bonds of the Series and maturities to be redeemed in the manner summarized in the following paragraph, give the notice of redemption and pay out money available therefor the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, in accordance with the terms of the Resolution.

(Section 5.3)

Selection of Bonds to Be Redeemed

Unless otherwise provided in the Series Resolution authorizing the issuance of Bonds of a Series or the Certificate of Determination relating to such Bonds or, if the Bonds are book-entry bonds, the operational procedures of the Depository, in the event of redemption of less than all of the Outstanding Bonds of like Series, maturity and tenor, the Trustee shall 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 shall select by lot, using such method of selection as it shall 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, shall 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 summarized in the Resolution) which end in the same digit or in the same two digits. If in such a case, upon any drawing by groups, the total principal amount of Bonds drawn shall 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 shall 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 shall be redeemed as shall 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 5.4)

Notice of Redemption

Whenever Bonds are to be redeemed, the Trustee shall give notice of the redemption of the Bonds in the name of the Issuer which notice shall specify: (i) the Bonds to be redeemed which shall be identified in accordance with the Resolution, the maturity dates and interest rates of the Bonds to be redeemed and the date such Bonds were issued; (ii) the numbers and other distinguishing marks of the Bonds to be redeemed, including CUSIP numbers; (iii) the redemption date; (iv) the Redemption Price; (v) the principal amount of each Bond to be redeemed; (vi) that, except in the case of Book-Entry Bonds, such Bonds will be redeemed at the principal corporate trust office of the Trustee giving the address thereof and the name and telephone number of a representative of the Trustee to whom inquiries may be directed; (vii) that no representation is made as to the correctness of the CUSIP number either as printed on the Bonds or as contained in such notice and that an error in a CUSIP number as printed on such Bond or as contained in such notice shall not affect the validity of the proceedings for redemption; and (viii) if the Issuer's obligation to redeem the Bonds is subject to conditions, a statement that describes the condition to such redemption. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, and that, from and after such date, payment having been made or provided for, interest thereon shall cease to accrue. Any such notice of redemption under the Resolution which states that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price of such Bonds or upon the satisfaction of any other condition, may be rescinded at any

time before payment of such Redemption Price if any such condition so specified is not satisfied. Notice of such rescission shall be given by the Trustee to affected Bondholders as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Such notice shall be given not less than twenty (20) days nor more than forty-five (45) days prior to the redemption date or, in the case of Variable Interest Rate Bonds or Option Bonds, such shorter period as shall be established by the Series Resolution authorizing such Bonds or the Certificate of Determination relating thereto, but in no event less than fifteen (15) days prior to the redemption date. Such notice shall be given to Bondholders in accordance with the Resolution and to EMMA. Upon giving such notice, the Trustee shall promptly certify to the Issuer that it has mailed or caused to be mailed such notice to the Holders of the Bonds to be redeemed in the manner provided in the Resolution. Such certificate shall be conclusive evidence that such notice was given in the manner required by the Resolution. The failure of any Holder of a Bond to be redeemed to receive such notice shall not affect the validity of the proceedings for the redemption of the Bonds.

(Section 5.5)

Payment of Redeemed Bonds

Notice having been given in the manner provided in the Resolution, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender of such Bonds, other than Book Entry Bonds of like Series, maturity and tenor to be redeemed in part, at the office or offices specified in such notice, and, in the case of Bonds presented by other than the registered owner, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. Payment of the Redemption Price shall be made, upon the request of the registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds to be redeemed, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has, at the time such Bonds are surrendered to the Trustee, directed in writing the Trustee to wire such Redemption Price. If there shall be called for redemption less than all of the principal amount of a registered Bond, the Issuer shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the registered Bond so surrendered, Bonds of like Series, maturity and tenor in any of the authorized denominations. If, on the redemption date, money 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, shall be held by the Trustee so as to be available therefor on such date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds shall no longer be considered to be Outstanding under the Resolution. If money shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(Section 5.6)

Purchase of Purchased Bonds

Whenever Bonds are to be purchased at the election of a County, written notice thereof and of the Bonds of the Series and maturity to be so purchased having been given by such County to the Issuer, the Trustee, and each applicable provider of a Credit Facility, the Trustee shall select the particular Bonds of such Series and maturity to be so purchased in the same manner as provided by the Resolution for the selection of Bonds to be redeemed in part. Promptly thereafter the Trustee shall give notice of the purchase of the Bonds at the times and in the manner provided in the Series Resolution authorizing such Bonds or the Certificate of Determination related thereto. The Trustee shall not give such notice unless prior to the date such notice is given, such County has caused to be delivered to the Trustee the written consent to such purchase of the Issuer and each applicable provider of a Credit Facility. All such purchases may be subject to conditions of the Issuer, the Trustee and any provider of a Credit Facility to such County's obligation to purchase such Bonds and shall be subject to the condition that money for the payment of the purchase price therefor is available on the date set for such purchase. Notice of purchase having been given in the manner required by the Series Resolution authorizing the Bonds to be so purchased or the Certificate of Determination relating thereto, then, if sufficient money to pay the purchase price of such Bonds is held by the Trustee, the purchase price of the Bonds or portions thereof so called for purchase shall become due and payable on the date set for purchase, upon presentation and surrender of such Bonds (other than Book Entry Bonds) to be purchased at the office or offices specified in such

notice, and, in the case of Bonds presented by other than the registered owner, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney. Payment of the purchase price of other than Book Entry Bonds shall be made, upon the request of the registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds to be so purchased, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has prior to the purchase date directed in writing the Trustee to wire such purchase price. Bonds so purchased shall be considered to be Outstanding and each such Bond so purchased that is not a Book Entry Bond shall be registered in the name or at the direction of such County.

(Section 5.7)

Establishment of Funds and Accounts

The following funds shall be established by the Applicable Series Resolution in accordance with the Resolution, which funds shall be for the sole benefit of and solely secure the Series of Bonds authorized by such Series Resolution, as set forth in the Series Resolution:

Construction Fund;
Debt Service Fund; and
Debt Service Reserve Fund, if any.

The Issuer is authorized in connection with the issuance of a Series of Bonds to establish such other funds, together with accounts and subaccounts established within such funds, in connection with such Series of Bonds as the Issuer or the Trustee deems proper, necessary or desirable. In addition to the funds and accounts required to be established by or pursuant to each Series Resolution, the Resolution establishes an Arbitrage Rebate Fund to be held by the Trustee as custodian for the Issuer, which fund is not pledged to the payment of any Bonds.

All money at any time deposited in any such fund, account or subaccount created and pledged by the Resolution shall be held in trust for the benefit of the Holders of the Outstanding Bonds secured thereby, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided in the Resolution or in the Applicable Series Resolution. Notwithstanding the foregoing provisions and except as otherwise provided in the Series Resolution or Certificate of Determination relating to such Series of Bonds, (i) the proceeds derived from the remarketing of Option Bonds tendered or deemed to have been tendered for purchase in accordance with the Series Resolution authorizing the issuance of such Bonds or the Certificate of Determination relating to such Bonds or derived from a Liquidity Facility relating to such Bonds, and any fund or account established by or pursuant to such Series Resolution for the payment of the purchase price of Option Bonds so tendered or deemed to have been tendered, shall not be held in trust for the benefit of the Holders of Bonds other than such Option Bonds and are pledged for the payment of the purchase price of such Option Bonds, and (ii) any fund or account established by or pursuant to such Series Resolution for repayment of advances made under a Liquidity Facility for payment of the purchase price of Option Bonds, shall not be held in trust for the benefit of the Holders of Bonds other than such Option Bonds, and may be pledged to the provider of such Liquidity Facility.

(Section 6.1)

Application of Moneys in the Construction Fund

A separate Construction Fund shall be established by each Series Resolution and separate Construction Accounts shall be established therein with respect to each County for whose benefit such Series of Bonds is issued. As soon as practicable after the delivery of a Series of Bonds, the Trustee shall deposit in each Applicable Construction Account established in connection with such Series of Bonds, if any, the amount required to be deposited therein pursuant to the Resolution. In addition, the Trustee shall deposit in each Applicable Construction Account all amounts paid by the Applicable County which by the terms of the Applicable Agreement executed in connection with such Series of Bonds are required to be deposited therein for any Applicable Project, including the proceeds of any insurance of condemnation award to be so applied.

Except as otherwise provided in the Resolution and in any Applicable Series Resolution or Certificate of Determination, money deposited in an Applicable Construction Account shall be used only to pay the Applicable County's Allocable Portion of the Costs of Issuance of the Series of Bonds in connection with which such Construction Account was established and the Costs of the Project for which an Applicable Construction Account was established.

Consistent with the terms of the Applicable Agreement, payments from the Applicable Construction Account for Costs of Issuance shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the Issuer stating the names of the payees and the respective amounts of each such payment. Consistent with the terms of the Applicable Agreement, payments for the Costs of the Project shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the Issuer, each substantiated by a certificate filed with the Issuer signed by an Authorized Officer of the Applicable County stating that amounts were incurred or expended on Costs of the Project, except that payments to pay interest on Bonds shall be made by the Trustee upon receipt of, and in accordance with, the direction of the Issuer directing the Trustee to transfer such amount from the Applicable Construction Fund to the Applicable Debt Service Fund.

Upon receipt by the Trustee of a certificate of completion signed by an Authorized Officer of the Applicable County in the form set forth in the Applicable Agreement (which certificate shall not be required if no money is remaining in the Applicable Construction Account), the money then remaining in the Applicable Construction Account, after making provision in accordance with the direction of the Issuer for the payment of any of such County's Allocable Portion of Costs of Issuance and Costs of an Applicable Project then unpaid, shall be paid or applied by the Trustee as follows and in the following order of priority: first: upon the direction of an Authorized Officer of the Issuer, to the Applicable Arbitrage Rebate Fund, the amount determined by the Issuer to be required to be deposited therein as the Allocable Portion of the Applicable County; second: to restore the Debt Service Reserve Fund (if any) to the Debt Service Reserve Requirement; and third: to the Applicable Debt Service Fund, to be applied in accordance with the Resolution, any balance remaining.

(Section 6.3)

Deposit and Allocation of Revenues

All Applicable Revenues and any other money required by any of the provisions of any Applicable Agreement to be paid to the Trustee shall, upon receipt thereof, be deposited or paid by the Trustee to the Applicable Debt Service Fund except for the following: (i) amounts paid to the Trustee for any of the following purposes: (x) to pay each County's Allocable Portion of the Costs of Issuance of the Bonds, and other costs in connection with the issuance of the Bonds; (y) to pay each County's Allocable Portion of amounts required to be rebated to the Department of the Treasury of the United States of America in accordance with the Code in connection with the Bonds; and (z) to pay each County's Allocable Portion of the fees and expenses of the Trustee in connection with performance of its duties under the Resolution; and (ii) amounts required to be paid by each Applicable County to the Trustee pursuant to any section of the Applicable Agreement that specifically provides for the deposit of such payments into a fund, other than the Debt Service Fund, established under the Resolution or pursuant to the Applicable Series Resolution or Certificate of Determination relating thereto.

(Section 6.4)

Debt Service Fund

The Trustee shall pay out of the Applicable Debt Service Fund established in connection with Bonds of a Series, when due: each County's Allocable Portion of the interest due and payable on the Outstanding Bonds of such Series; each County's Allocable Portion of the principal due and payable on the Outstanding Bonds of such Series; each County's Allocable Portion of the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on the Outstanding Bonds of such Series; and in connection with the optional redemption of Bonds of a Series pursuant to the Resolution and subject to the satisfaction of any conditions contained in the notice of redemption given pursuant to the Resolution, each County's Allocable Portion of the Redemption Price, together with interest accrued and unpaid thereon, on the redemption date.

The Issuer may, at any time subsequent to October 1 (or such other date as provided in a Series Resolution or a Certificate of Determination with respect to a Series of Bonds) 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 money on deposit in the Applicable Debt Service Fund established in connection with the Bonds of a Series at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds of such Series and maturity to be redeemed from such Sinking Fund Installment. In addition, an Applicable County pursuant to an Agreement may deliver, at any time subsequent to October 1 (or such other date as provided in a Series Resolution or a Certificate of Determination with respect to a Series of Bonds) 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, to the Trustee for cancellation one or more Term Bonds of such Series and maturity to be so redeemed on such date from

such Sinking Fund Installment. Any Term Bond so purchased and any Term Bond so delivered to the Trustee shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Issuer. The principal amount of each Term Bond so canceled shall be credited against the Sinking Fund Installment due on such date; *provided, however*, that such Term Bond is canceled by the Trustee prior to the date on which notice of redemption is given.

The Trustee, after making all payments from the Applicable Debt Service Fund as provided in the Resolution, shall promptly notify the Issuer and the Applicable County of any balance of Applicable Revenues remaining in the Applicable Debt Service Fund on the first day of the next succeeding Bond Year. The balance, if any, of the Applicable Revenues then remaining shall be applied in the following order of priority: (i) first, there shall be paid to the Issuer, unless otherwise paid, such amounts as are payable to the Issuer for: (A) all expenditures reasonably and necessarily incurred by the Issuer in connection with the financing of the Applicable Project, including expenses incurred by the Issuer to compel full and punctual performance of all the provisions of the Applicable Agreement in accordance with the terms thereof, and (B) any unpaid fees or other amounts payable to the Issuer under the Applicable Agreement; but only upon receipt by the Trustee of a certificate signed by the Issuer, stating in reasonable detail the amounts payable to the Issuer pursuant to this paragraph; (ii) second, upon the direction of the Issuer, be paid by the Trustee to the Applicable County, in the respective amounts set forth in such direction. Any amounts paid to the Applicable County shall be free and clear of any pledge, lien, encumbrance or security interest created by the Resolution or by the Applicable Series Resolution or the Applicable Agreement; and third, be retained in the Debt Service Fund.

(Section 6.5)

Arbitrage Rebate Fund

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

Money on deposit in the Arbitrage Rebate Fund shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Issuer to make payments to the Department of the Treasury of the United States of America at such times and in such amounts determined to be required by the Code to be rebated to the Department of the Treasury of the United States of America. Money in excess of the amount required to be so rebated shall be deposited to any fund or account established under the Resolution in accordance with the written direction of an Authorized Officer of the Issuer.

The amount which may be 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 shall be determined as provided in the Applicable Agreement and the Issuer shall direct the Trustee to (i) transfer from any other of the funds and accounts held by the Trustee under the Resolution and deposit to the Applicable Arbitrage Rebate Fund such amount as the Issuer shall have determined to be necessary in order to enable it to comply with its obligation to rebate money to the Department of the Treasury of the United States of America with respect to each Series of Bonds and (ii) if and to the extent required by the Code, pay out of such 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 6.6)

Application of Money in Certain Funds for Retirement of Bonds

Notwithstanding any other provisions of the Resolution, if at any time the money held in the Applicable Debt Service Fund established in connection with a Series of Bonds for the payment of the principal and Sinking Fund Installments of the Bonds of such Series, together with the money held in the Debt Service Reserve Fund established for such Bonds, are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of such Series and the interest accrued and unpaid and to accrue on such Bonds to the next date of redemption when all such Bonds are redeemable, or to make provision pursuant to the Resolution for the payment of such Bonds at the maturity or redemption dates thereof, the Trustee shall so notify the Issuer and the Applicable Counties. Upon receipt of such notice, the Issuer may advise the Applicable Counties that no further payments on account of principal and interest are due under the Applicable Agreements and further may (i) direct the Trustee to redeem all such Bonds, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Bonds in the manner provided in the Resolution, or (ii) give

the Trustee irrevocable instructions in accordance with the Resolution and make provision for the payment of such Bonds at the maturity or redemption dates thereof in accordance therewith.

(Section 6.7)

Transfer of Investments

Whenever money in any fund or account established under the Resolution is to be paid in accordance with the Resolution to another such fund or account, such payment may be made, in whole or in part, by transferring to such other fund or account investments held as part of the fund or account from which such payment is to be made, whose value, together with the money, if any, to be transferred, is at least equal to the amount of the payment then to be made; **provided, however**, that no such transfer of investments would result in a violation of any investment standard or guideline applicable to such fund.

(Section 6.8)

Security for Deposits

The Trustee shall continuously and fully secure all money held under the Resolution by it for the benefit of the Issuer and the Holders of the Applicable Bonds with Permitted Collateral having a market value equal to the amount of money secured thereby; **provided, however**, (a) that if the securing of such money 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 shall not be necessary for the Trustee to give security for the deposit of any money with them pursuant to the Resolution 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 money which shall be represented by obligations purchased or other investments made under the provisions of the Resolution as an investment of such money. The Trustee shall include in its monthly report provided pursuant to the Resolution a statement showing the amount of money held by the Trustee pursuant to the Resolution on the date of such report, the Permitted Collateral pledged by the Trustee to secure such amount and market value of such Permitted Collateral on the date of such report.

(Section 7.1)

Investment of Funds and Accounts Held by the Trustee

Money held under the Resolution by the Trustee, if permitted by law, shall, as nearly as may be practicable, be invested by the Trustee, upon direction of the Issuer given or confirmed in writing by the Issuer (which direction shall specify the amount thereof to be so invested), in Government Obligations, Federal Agency Obligations or Exempt Obligations; **provided, however**, that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Issuer reasonably believes such money will be required for the purposes thereof.

In lieu of the investments of money in obligations described above, the Trustee shall, to the extent permitted by law, upon direction of the Issuer given or confirmed in writing by the Issuer, invest money in a Construction Fund or Debt Service Reserve Fund in any Permitted Investment; **provided, however**, that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Issuer reasonably believes such money will be required for the purposes of the Resolution, **provided, further**, that (x) any Permitted Collateral required to secure any Permitted Investment shall have a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (y) the Permitted Collateral shall be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of the Issuer, and (z) the Permitted Collateral shall be free and clear of claims of any other person.

Permitted Investments purchased as an investment of money in any fund or account held by the Trustee under the provisions of the Resolution shall 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 shall be retained in, 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 Resolution, each Permitted Investment shall be valued at par or the market value thereof, plus accrued interest, whichever is lower.

Notwithstanding anything to the contrary in the Resolution, the Issuer, in its discretion, may direct the Trustee to, and the Trustee shall, sell, present for redemption or exchange any investment held by the Trustee pursuant to the Resolution and the proceeds thereof may be reinvested as provided therein. Except as provided in the Resolution, the

Trustee shall sell at the best price obtainable, or present for redemption or exchange, any investment held by it pursuant to the Resolution whenever it shall be necessary in order to provide money to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise the Issuer and the Applicable Counties in writing, on or before the fifteenth (15th) day of each calendar month, of the amounts required to be on deposit in each fund and account under the Resolution and of the details of all investments held for the credit of each fund and account in its custody under the provisions of the Resolution as of the end of the preceding month and as to whether such investments comply with the Resolution. The details of such investments shall include the par value, if any, the cost and the current market value of such investments as of the end of the preceding month. The Trustee shall also describe all withdrawals, substitutions and other transactions occurring in each such fund and account in the previous month.

No part of the proceeds of any Series of Bonds or any other funds of the Issuer shall be used directly or indirectly to acquire any securities or investments the acquisition of which would cause any Bond to be an “arbitrage bond” within the meaning of Section 148(a) of the Code.

(Section 7.2)

Liability for Investments

Neither the Issuer nor the Trustee shall have any liability arising out of or in connection with the making of any investment authorized by the provisions of the Resolution, in the manner provided therein, for any depreciation in value of any such investment, or for any loss, direct or indirect, resulting from any such investment.

(Section 7.3)

Payment of Principal and Interest

Solely and exclusively from the property pledged pursuant to the Resolution, the Issuer shall pay or cause to be paid the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on every Bond of each Series on the dates and in the manner provided in the Bonds according to the true intent and meaning thereof.

(Section 8.1)

Further Assurance

The Issuer, at any and all times, shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, pledges and assignments by the Resolution created or made or intended to be created or made, or which the Issuer may become bound to pledge or assign.

(Section 8.4)

Accounts and Reports

The Trustee, on behalf of the Issuer, shall keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to each Series of Bonds. Such books and accounts, at reasonable hours and subject to the reasonable rules and regulations of the Trustee, shall be subject to inspection by each Applicable County, the Issuer or of any Holder of a Bond or his representative duly authorized in writing. The Trustee shall annually prepare a report which shall be furnished to the Issuer, any provider of a Credit Facility and each Applicable County. Such report shall include at least: a statement of all funds and accounts (including investments thereof) held by the Trustee pursuant to the provisions of the Resolution and of each Applicable Series Resolution; a statement of the Applicable Revenues collected from each Applicable County in connection with the Resolution and with each Applicable Series Resolution; and complete and correct entries of the transactions relating to each Series of Bonds. A copy of such report shall, 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 or any beneficial owner of a Book Entry Bond requesting the same.

(Section 8.5)

Creation of Liens

Except as permitted by the Resolution with respect to the Applicable Revenues and the Applicable Pledged Revenues, the Issuer shall not create, cause to be created or suffer or permit the creation of any lien or charge prior or equal to that securing the Bonds on the proceeds from the sale of the Bonds, the Applicable Revenues, the Applicable Pledged

Revenues and the funds and accounts established by the Resolution or pursuant to any Series Resolution; **provided, however,** that nothing contained in the Resolution shall prevent the Issuer from issuing bonds, notes or other obligations or otherwise incurring indebtedness under another and separate resolution or otherwise so long as the charge or lien created by such resolution, except as permitted by the Resolution with respect to the Applicable Revenues and the Applicable Pledged Revenues, is not prior or equal to the charge or lien created by the Resolution; **provided further, however,** that if the Issuer shall have issued more than one Series of Bonds for the benefit of a County and the public funds pledged under the Applicable Agreements are insufficient to pay in full all Basic Debt Service Payments then due under all of the Agreements to which such County is a party, then the Comptroller shall pay a proportionate share of such available public funds to the Trustee as provided in the Memorandum of Understanding.

(Section 8.6)

Enforcement of Obligations of the Counties; Obligations of the Issuer

Pursuant to the Applicable Agreement, the Issuer, at the written request of the Trustee, shall take all legally available action to cause the Applicable County fully to perform its obligation to pay the Basic Debt Service Payment 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, provided that the Issuer shall be furnished with satisfactory security or indemnity for the reimbursement of all expenses and to protect it against all liability in connection with any such action. None of the provisions of the Resolution shall require the Issuer to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers thereunder, unless payable from the Applicable Revenues, or unless the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby.

Each Applicable Agreement sets forth covenants and obligations of the Issuer and the Applicable County, and reference is by the Resolution made to the same for detailed statements of said covenants and obligations. Notwithstanding anything to the contrary in the Resolution or any Applicable Agreement, the Issuer shall have no obligation to and instead the Trustee, in accordance with the Resolution, shall have the right, without further direction from or action by the Issuer, to take any and all steps, actions and proceedings, to enforce any or all rights of the Issuer under the Resolution and any Applicable Agreement (other than the Issuer's Unassigned Rights), including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of an Applicable County under its Agreement.

(Section 8.7)

Offices for Payment and Registration of Bonds

The Issuer shall at all times maintain an office or agency in the State where Bonds may be presented for payment, registration, transfer or exchange and the Trustee is appointed as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds.

(Section 8.9)

Amendment of Agreements

Each Agreement may, without the consent of the Holders of Bonds, be amended, changed, modified, altered or supplemented for any one or more of the following purposes: to add an additional covenant or agreement for the purpose of further securing the payment of the Applicable County's obligations under the Agreement that is not contrary to or inconsistent with the covenants and agreements of the Applicable County contained in the Agreement; to prescribe further limitations and restrictions upon the Applicable County's right to incur, issue, assume or guaranty indebtedness that are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect; to surrender any right, power or privilege reserved to or conferred upon the Applicable County, if surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Applicable County contained in the Agreement; to make changes necessary or appropriate in connection with the acquisition, construction, reconstruction, rehabilitation and improvement, or otherwise providing, furnishing and equipping of any Applicable Project, to amend the description of any Project or to add an additional Applicable Project; to establish, amend or modify the Issuer Fee or the Annual Administrative Fee (each as defined in such Agreement) payable by the Applicable County in connection with Applicable Bonds of a Series; or with the prior written consent of the Trustee, to cure any ambiguity, or to correct or supplement any provisions contained in the Agreement which may be defective or inconsistent with any other provisions contained in the Resolution or in the Agreement or to amend,

modify or waive any other provision of the Agreement, provided that the same does not adversely affect the interests of the Applicable Bondholders in any material respect.

An Agreement relating to a Series of Bonds may not be amended, changed, modified, altered or terminated, nor may any provision thereof be waived, without the consent of the Holders of Outstanding Bonds of such Series if such amendment, change, modification, alteration, termination or waiver (i) reduces the amount of Applicable Revenues or Applicable Pledged Revenues payable by the Applicable County under the Agreement on any date or delays the date on which payment is to be made, (ii) modifies the events which constitute Events of Default under the Agreement, (iii) diminishes, limits or conditions the rights or remedies of the Issuer under the Agreement upon the occurrence of an Event of Default thereunder, or (iv) adversely affects the rights of the Applicable Bondholders in any material respect.

No amendment, change, modification, alteration, termination or waiver described in the immediately preceding paragraph shall take effect unless the prior written consent of the Holders of at least a majority in principal amount of the Bonds then Outstanding of the affected Series; *provided, however*, that if such amendment, change, modification, alteration, termination or waiver will, by its terms, not take effect so long as any Bonds of any specified maturity of such Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this provision.

Bonds owned or held by or for the account of the Issuer or an Applicable County shall not be deemed Outstanding for the purpose of consent, and neither the Issuer nor such Applicable County shall be entitled with respect to such Bonds to give any such consent. At the time of any consent, the Trustee shall be provided with certificates of the Issuer and such Applicable County in accordance with the Resolution.

The purchasers of Bonds, whether purchasing as underwriters, remarketing agent or otherwise for resale, may upon such purchase consent to an amendment, change, modification, alteration, termination or waiver permitted by the Resolution in the manner provided in the Resolution, except that no proof of ownership shall 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, remarketing agent or otherwise for resale, the nature of the amendment, change, modification, alteration, termination or waiver and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the initial offering, reoffering or resale of the Bonds of such Series.

No amendment, change, modification or termination of an Agreement, or waiver of a provision thereof shall be made other than pursuant to a written instrument signed by the parties thereto. No such amendment, change, modification, alteration or waiver shall become effective unless there has been delivered to the Trustee an opinion of Bond Counsel that any such amendment, change, modification, alteration or waiver complies with the provisions of the Resolution. A copy of each such amendment, change, modification, termination or waiver shall be filed with the Trustee.

For the purposes of the Resolution, a Series shall be deemed to be adversely affected by an amendment, change, modification, alteration or termination of an Applicable Agreement or the waiver of any provision thereof if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect, which determination shall be made without regard to the existence of any Credit Facility issued in connection with such Bonds. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of any particular Series would be adversely affected in any material respect by any amendment, change, modification, alteration, termination or waiver and any such determination shall be binding and conclusive on the Applicable County, the Issuer and all Holders of Bonds.

The Trustee shall be entitled to rely upon an opinion of counsel or an opinion or report of engineers, accountants or other experts, in each case reasonably satisfactory to the Trustee, with respect to whether any amendment, change, modification, alteration, termination or waiver adversely affects the interests of any Holders of Bonds then Outstanding in any material respect.

(Section 8.10)

Basic Debt Service Payment The Applicable Agreement shall provide for the payment of Basic Debt Service Payment which shall be sufficient at all times to pay the County's Allocable Portion of the principal and Sinking Fund Installments of and interest on Outstanding Bonds of the Applicable Series as the same become due and payable.

(Section 8.11)

Certificate to the State Commissioner of Children and Family Services; Action Required Under the Memorandum of Understanding

In connection with the payment of the Basic Debt Service Payment payable pursuant to each Agreement, an Authorized Officer of the Issuer shall, pursuant to and in accordance with the Memorandum of Understanding, annually, not later than the day before the commencement of the ensuing fiscal year make and deliver a certificate to the State Commissioner of Children and Family Services setting forth the amount of Basic Debt Service Payment and all other payments payable to the Issuer under each Applicable Agreement for such fiscal year. In the event of a failure by any Applicable County to make its Basic Debt Service Payment, the Issuer shall take all further action required under the Memorandum of Understanding to assure payment of such deficiency to the Trustee.

(Section 8.12)

General

The Issuer shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Issuer under the provisions of the Resolution in accordance with the terms of such provisions.

Upon the date of issuance of Bonds, all conditions, acts and things required by the statutes of the State and by the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds, shall exist, have happened and have been performed and the issuance of such Bonds, together with all other indebtedness of the Issuer, shall be within every debt and other limit prescribed by the laws of the State.

(Section 8.13)

Responsibilities of Trustee

The recitals of fact contained in the Resolution and in each Series Resolution and in the Bonds shall be taken as the statements of the Issuer and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of the Resolution, of any Series Resolution or of any Bonds, or in respect of the security afforded by the Resolution or by each Series Resolution, and the Trustee shall incur no responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to: (i) the issuance of the Bonds for value; (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee; or (iii) the application of any money paid to the Issuer or others in accordance with the Resolution and with each Series Resolution except as to the application of any money paid to it in its capacity as Trustee. The Trustee shall not be liable in connection with the performance of its duties under the Resolution and under each Series Resolution except for its own negligence or default.

The duties and obligations of the Trustee shall be determined by the express provisions of the Resolution and of each Series Resolution and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in the Resolution and in each Series Resolution. In case an Event of Default has occurred and has not been cured, the Trustee shall exercise such rights and powers vested in it in the Resolution and under each Applicable Series Resolution, and use the same degree of care and skill in its exercise as a reasonable and prudent person would use, under the circumstances, in the conduct of his or her own affairs.

The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Resolution or by any Series Resolution.

(Section 9.2)

Property Held in Trust

All money and securities conveyed to or held by the Trustee, except for amounts held in the Arbitrage Rebate Fund, at any time pursuant to the terms of the Resolution and of each Series Resolution shall be and are assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions of the Resolution and of the Applicable Series Resolution.

The Trustee shall hold all money in the Arbitrage Rebate Fund as the agent of the Issuer and shall not disburse amounts therefrom except pursuant to the written instructions of an Authorized Officer of the Issuer.

(Section 9.3)

Evidence on which the Trustee May Act

The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be of counsel to the Issuer, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Resolution and under any Series Resolution, such matter (unless other evidence in respect thereof be specifically prescribed by the Resolution) may be deemed to be conclusively proved and established by a certificate signed by an Authorized Officer of the Issuer or, with the permission of the an Authorized Officer of Issuer, signed by an Authorized Officer of each Applicable County. Such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Resolution and of the Applicable Series Resolution upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided in the Resolution and in each Series Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision of the Resolution and of any Series Resolution by the Issuer to the Trustee shall be sufficiently executed if executed in the name of the Issuer by an Authorized Officer.

(Section 9.4)

Compensation

Unless otherwise provided by contract with the Trustee, each Applicable County, as provided in the Applicable Agreement, shall pay to the Trustee, from time to time, the Applicable County's Allocable Portion of reasonable compensation for all services rendered by it under the Resolution and under the Applicable Series Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Resolution and under the Applicable Series Resolution. The Trustee shall be entitled to receive and collect such compensation from each Applicable County as provided in the Applicable Agreement and, upon the occurrence of an Event of Default and except as otherwise set forth in an Applicable Series Resolution or Certificate of Determination, shall have a lien therefor on any and all funds at any time held by it under the Resolution and under the Applicable Series Resolution (other than the Applicable Arbitrage Rebate Fund and any fund or account established for the payment of the principal or Redemption Price of or interest on Option Bonds or the purchase price of Option Bonds tendered for purchase) prior to any of the Bonds for which such services have been rendered; *provided, however*, that the Trustee shall not be entitled to compensation for any expenses, charges, counsel fees or other disbursements incurred in connection with or incident to its resignation or removal as provided in the Resolution. Each Applicable County shall, pursuant to its obligations under the Applicable Agreement, indemnify and save the Trustee harmless against any liabilities which the Trustee may incur in the exercise and performance of its powers and duties under the Resolution and under the Applicable Series Resolution and which are not due to the Trustee's negligence or default. None of the provisions contained in the Resolution or in any Series Resolution shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to it. The Trustee shall not be required to take any action pursuant to the Resolution unless and until it shall have been indemnified and saved harmless against any liabilities and all reasonable expenses, charges, counsel fees and other disbursements, including those of the Trustee's attorneys, agents and employees, incurred in connection with or as a result of taking such action and which are not due to its negligence or default.

(Section 9.5)

Permitted Acts

The Trustee may become the owner of or may deal in Bonds as fully and with the same rights as if it were not such Trustee. The Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the Issuer or any committee formed to protect the rights of Holders of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Resolution or of the Bonds or any Series Resolution whether or not such committee shall represent the Holders of a majority in principal amount of the Outstanding Bonds in respect of which any such action is taken.

(Section 9.6)

Resignation of Trustee

The Trustee, or any successor thereof, may at any time resign and be discharged of its duties and obligations under the Resolution and under each Series Resolution by giving not less than sixty (60) days written notice to the Issuer, any provider of a Credit Facility and each County, which notice shall specify the date when such resignation shall take effect, and, unless otherwise provided in the Resolution, mail to the registered owners of the Bonds a copy of such notice, by first class mail, postage prepaid, at their last known addresses, if any, appearing on the registration books of the Issuer. Such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed as provided in the Resolution, in which event such resignation shall take effect immediately on the appointment of such successor; *provided, however*, that such resignation shall not take effect until a successor Trustee has been appointed and has accepted such appointment pursuant to the Resolution.

(Section 9.7)

Removal of Trustee

The Trustee, or any successor thereof, may be removed at any time by the Holders of a majority in principal amount of the Outstanding Bonds, excluding any Bonds held by or for the account of the Issuer or an Applicable County, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to the Issuer. The Trustee, or any successor thereof, may also be removed at any time for cause or any breach of trust or for acting or proceeding in violation of, or failing to act or proceed in accordance with, any provisions of the Resolution or of any Series Resolution with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon application by the Issuer, or the Holders of not less than twenty per centum (20%) in aggregate principal amount of Bonds then Outstanding, excluding any Bonds held by or for the account of the Issuer or an Applicable County. The Trustee may also be removed at any time, other than during the continuance of an event of default under the Resolution, by the Issuer, by an instrument in writing signed and acknowledged by the Issuer. No removal of the Trustee under the Resolution shall take effect until a successor Trustee has been appointed. A copy of each instrument or order providing for the removal of the Trustee, or any successor thereof, shall be delivered by the Issuer to the Trustee, each provider of a Credit Facility or such successor thereof and each County.

(Section 9.8)

Successor Trustee

In case the Trustee, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the Issuer shall forthwith appoint a Trustee, with written notice to any Rating Service(s) rating the Bonds then Outstanding, to act as Trustee. Copies of any resolution or other instrument of the Issuer providing for any such appointment shall be delivered by the Issuer to the Trustee so appointed, the predecessor Trustee, any provider of a Credit Facility and each County. The successor Trustee shall: (a) give notice of any such appointment not later than thirty (30) days after such appointment to the registered owner of the Bonds as provided in the Resolution; and (b) submit the notice of its appointment to EMMA.

If in a proper case no appointment of a successor shall be made within forty-five (45) days after the giving of written notice in accordance with the Resolution or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Bondholder may apply to any court of competent jurisdiction for the appointment of such a successor, and such court may thereupon, after such notice, if any, as such court may deem proper, appoint such successor. Any successor appointed under the provisions of the Resolution shall be a bank located in the State having trust powers or a trust company organized under the laws of the State or national banking association having trust powers located in the State having a capital and surplus aggregating at least \$100,000,000, if there be such a bank having trust powers or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms and authorized by law to perform all the duties required by the Resolution and by each Series Resolution.

(Section 9.9)

Transfer of Rights and Property to Successor Trustee

Any successor appointed under the provisions of the Resolution shall execute, acknowledge and deliver to its predecessor, and also to the Issuer, an instrument accepting such appointment, and thereupon such successor, without any further act, deed or conveyance shall become fully vested with all money, estates, properties, rights, powers, duties and obligations of its predecessor under the Resolution and under each Series Resolution, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request by the Issuer or of such successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of such Trustee in and to any property held by it under the Resolution, and shall pay over, assign and deliver to such successor any money or other properties subject to the trusts and conditions set forth therein. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor for more fully and certainly vesting in and confirming to it any such money, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Issuer.

(Section 9.10)

Merger or Consolidation of the Trustee

Any company into which the Trustee may be merged or with which it may be consolidated or any company resulting from any merger or consolidation to which it shall be a party or any company to which such Trustee may sell or transfer any portion of its corporate trust business, provided such company shall be a bank having trust powers or trust company or national banking association qualified to be a successor to such Trustee under the provisions of the Resolution, shall be the successor to such Trustee, without any further act, deed or conveyance, with respect to the corporate trust business so transferred.

(Section 9.11)

Modification and Amendment without Consent

The Issuer may, without the consent of Bondholders and, except in the case of subparagraph (h) below, without the consent of the Trustee, adopt at any time or from time to time Series Resolutions or Supplemental Resolutions for any one or more of the following purposes:

- (a) To provide for the issuance of a Series of Bonds pursuant to the provisions of the Resolution and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;
- (b) To add additional covenants and agreements of the Issuer 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 Issuer contained in the Resolution;
- (c) To prescribe further limitations and restrictions upon the issuance of Bonds of an Applicable Series and the incurring of indebtedness by the Issuer which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;
- (d) To surrender any right, power or privilege reserved to or conferred upon the Issuer by the terms of the Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained in the Resolution;
- (e) To confirm, as further assurance, any pledge under the Resolution or under an Applicable Series Resolution, and the subjection to any lien, claim or pledge created or to be created by the provisions of the Resolution, of the Applicable Revenues or the Applicable Pledged Revenues, or any pledge of any other money, securities or funds;
- (f) To modify any of the provisions of the Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respects, provided that such modifications shall not be effective until after all Bonds of any Applicable Series of Bonds Outstanding as of the date of adoption of such Applicable Supplemental Resolution or Applicable Series Resolution shall cease to be Outstanding, and

all Bonds of an Applicable Series issued under such resolutions shall contain a specific reference to the modifications contained in such subsequent resolutions;

(g) To modify or amend a Project; or

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

Any Series Resolutions or Supplemental Resolution adopted pursuant to the provisions summarized above shall become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Issuer and with respect to any Series Resolution or Supplemental Resolution relating to a Series of Bonds secured by a Credit Facility, providing a written copy thereof to the provider of such Credit Facility.

(Section 10.1)

Supplemental Resolutions Effective With Consent of Bondholders

The provisions of the Resolution and of an Applicable Series Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of the Applicable Bondholders in accordance with and subject to the provisions of the Resolution, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by the Issuer. The Trustee shall, upon its becoming effective, transmit a copy of such Supplemental Resolution to the Applicable Counties and to each Rating Service rating the affected Bonds then Outstanding.

(Section 10.2)

General Provisions Relating to Supplemental Resolutions

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

A copy of every Series Resolution and Supplemental Resolution adopted by the Issuer, when filed with the Trustee, shall be accompanied by an opinion of Bond Counsel stating that such Series Resolution or Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted thereby and is valid and binding upon the Issuer and enforceable in accordance with its terms. The Trustee shall transmit a copy of such Series Resolution or Supplemental Resolution to each Applicable County and with respect to any Series Resolution or Supplemental Resolution relating to a Series of Bonds secured by a Credit Facility, providing a written copy thereof to the provider of such Credit Facility.

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

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee shall become effective without the written consent of the Trustee.

(Section 10.3)

Powers of Amendment

Any modification or amendment of the Resolution and of the rights and obligations of the Issuer which shall affect an Applicable Series of Bonds and of the Holders of such Applicable Series of Bonds under the Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the Resolution,

(i) of the Holders of at least a majority in principal amount of the Bonds of such Series 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 shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the Resolution. No such modification or amendment shall 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 shall 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. For the purposes of the Resolution section summarized herein, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Issuer and all Holders of Bonds; **provided, however,** that such determination shall be made without regard to the existence of any Credit Facility issued in connection with such Bonds. The Trustee shall be entitled to rely upon an opinion of counsel or an opinion or report of engineers, accountants or other experts, in each case reasonably satisfactory to the Trustee, as conclusive evidence as to whether the Bonds of any particular Series or maturity would be so affected by any such modification or amendment hereof. The Trustee shall transmit a copy of such Supplemental Resolution to each Applicable County upon its becoming effective.

(Section 11.1)

Consent of Bondholders

The Issuer may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Resolution summarized in the preceding section to take effect when and as provided in the Resolution. A certified copy of such Supplemental Resolution shall be filed with the Trustee and a notice of such adoption, including the Supplemental Resolution and a statement that such Supplemental Resolution shall not take effect until the required percentages of Bondholders have consented thereto, shall be submitted to EMMA. A copy of such Supplemental Resolution shall, upon receipt of a written request therefor, be furnished to the registered owner of a Bond or any beneficial owner of a Book Entry Bond requesting the same. At the option of the Issuer, a copy of such Supplemental Resolution, together with a request to the Bondholders of a Series of Bonds affected thereby for their consent thereto in form satisfactory to the Trustee, may, unless otherwise provided in the Resolution, be mailed by the Trustee to the Bondholders (but failure to mail such copy and request to any particular Bondholder shall not affect the validity of the Supplemental Resolution when consented to as provided in the Resolution).

Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds specified in the Resolution and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Issuer in accordance with the provisions thereof, is authorized or permitted thereby, and is valid and binding upon the Issuer and enforceable in accordance with its terms, and (ii) a notice shall have been given in accordance with the Resolution. Each such consent shall 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 shall be such as is permitted by the 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 Resolution shall 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 shall be binding upon the Bondholder giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Bondholder 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 with the Trustee, prior to the time when the written statement of the Trustee is filed, such revocation. 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 shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Issuer and the Trustee a written statement that such Holders of

such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Issuer 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 the Resolution, shall be given to: (1) the Bondholders by the Trustee in accordance with the provisions of the Resolution; and (2) by filing a copy of such notice with EMMA. The Trustee shall prepare a certificate as proof of the giving of such notice as required by the Resolution. A transcript, consisting of the papers required or permitted by the Resolution to be filed with or prepared by the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Issuer, the Trustee, and the Holders of all Bonds upon the Trustee's execution of the certificate of proof of the giving of such notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution is rendered in a legal action or equitable proceeding for such purpose commenced within the thirty (30) day period beginning on the date of the Trustee's execution of the proof of giving such notice; **provided, however**, that the Issuer and the Trustee during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

For the purposes of the Resolution, the purchasers of the Bonds of a Series, including those purchasing as underwriters, placement agent or remarketing agent, for resale or otherwise, upon such purchase, may consent to a modification or amendment permitted by the Resolution in the manner provided therein, except that no proof of ownership shall 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 or as a placement agent, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document (or if there is no such offering document, the purchase or placement agreement, if any) prepared in connection with the primary offering, reoffering, resale or private placement of the Bonds of such Series by the Issuer.

(Section 11.2)

Modifications by Unanimous Consent

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

(Section 11.3)

Trustee to Exercise Powers of Statutory Trustee

The Trustee is vested with all of the rights, powers and duties of a trustee appointed by Bondholders pursuant to Section 1686 of the Act which are not inconsistent with the provisions of the Resolution and the right of Bondholders to appoint a trustee pursuant to Section 1686 of the Act is by the Resolution abrogated in accordance with the provisions of subdivision 4(g) of Section 1682 of the Act.

(Section 12.1)

Events of Default

An event of default shall exist under the Resolution and under an Applicable Series Resolution (referred to in the Resolution as an "event of default") if with respect to the Bonds of a Series to which such Series Resolution relates:

- (a) payment of the principal, Sinking Fund Installments or Redemption Price of any Bond of such Series shall not be made by the Issuer when the same shall otherwise become due and payable; or
- (b) payment of an installment of interest on any Bond of such Series shall not be made by the Issuer when the same shall become due and payable; or
- (c) a Determination of Taxability shall have occurred and be continuing; or
- (d) the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Resolution or in the Bonds of such Series or in any

Series Resolution on the part of the Issuer to be performed and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall 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, or if such default is not capable of being cured within thirty (30) days, if the Issuer fails to commence within said thirty (30) days and diligently prosecute the cure thereof.

(Section 12.2)

No Acceleration of Maturity

The Bonds are not subject to acceleration upon an event of default under the Resolution.

(Section 12.3)

Enforcement of Remedies

Upon the happening and continuance of any event of default specified in the Resolution, then and in every such case, the Trustee may proceed, and 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 Series affected by the Resolution, shall proceed (subject to the provisions of the Resolution relating to the compensation of the Trustee) to protect and enforce its rights and the rights of the Bondholders under the 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, either for the specific performance of any covenant contained under the Resolution or under any Applicable Series Resolution or in aid or execution of any power granted in the Resolution or in any Applicable Series Resolution or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Resolution and under each Applicable Series Resolution the Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Issuer for principal or interest or otherwise under any of the provisions of the Resolution or of any Applicable Series Resolution or of the Bonds of a Series, with interest on overdue payments of the principal of or interest on the 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 Resolution and under any Applicable Series Resolution and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds, and to recover and enforce judgment or decree against the Issuer but solely as provided in the Resolution, in any Applicable Series Resolution and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the money adjudged or decreed to be payable.

(Section 12.4)

Priority of Payments After Default

If at any time the money held by the Trustee under the Resolution and each Applicable Series Resolution shall not be sufficient to pay the principal of and interest on the Bonds of the Applicable Series as the same become due and payable (either by their terms or by acceleration of maturity), such money together with any money then available or thereafter becoming available for such purpose, whether through exercise of the remedies, shall be applied (after first depositing in the Applicable Arbitrage Rebate Fund all amounts required to be deposited therein and then paying all amounts owing to the Trustee under the Resolution) as follows:

(A) Unless the principal of all the Bonds of the Applicable Series has become or been declared due and payable, all such money shall be applied:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal, Sinking Fund Installments or Redemption Price of any such Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amount available shall not be sufficient to pay in full all amounts due on any date, then to the payment thereof ratably, according to the amount of

principal, Sinking Fund Installments or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(B) Unless otherwise provided by or pursuant to an Applicable Series Resolution, if the principal of all of the Bonds of the Applicable Series has become or been declared due and payable, all such money shall be applied to the payment of the principal and interest then due and unpaid upon such Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any such Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to the difference in the respective rates of interest specified in such Bonds.

Whenever money is to be so applied by the Trustee pursuant to the provisions summarized in this section “Priority of Payment After Default”, such money shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future. The setting aside of such money in trust for application in accordance with the provisions summarized in the preceding paragraphs shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Issuer, to any Holder of Bonds or to any other person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions hereof as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be on an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. The Trustee shall not be required to make payment to the Holder of any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement.

Amounts held by the Trustee after payments to be made pursuant to the provisions summarized in preceding paragraph shall have been made and no Bonds of the Applicable Series are Outstanding shall be paid and applied in accordance with the Resolution.

(Section 12.5)

Bondholders’ Direction of Proceedings

Anything in the Resolution to the contrary notwithstanding, the Holders of a majority in principal amount of the Outstanding Bonds of the Applicable Series shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Resolution and under each Applicable Series Resolution, provided such direction shall be in accordance with law and the provisions of the Resolution and of each Applicable Series Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

(Section 12.7)

Limitation of Rights of Individual Bondholders

No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Resolution, or for any other remedy under the Resolution unless such Holder previously shall 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 of the Applicable Series affected thereby, shall have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there shall 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 shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Resolution or for any other remedy under the Resolution and in equity or at law. It is understood and intended that no one or more Holders of the Bonds of the

Applicable Series secured by the Resolution and by the Applicable Series Resolution shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Resolution or of such Series Resolution or to enforce any right under the Resolution or such Series Resolution except in the manner in the Resolution and such Series Resolution provided, and that all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of the Outstanding Bonds of such Series. Notwithstanding any other provision of the Resolution, the Holder of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

(Section 12.8)

Remedies Not Exclusive

No remedy conferred in the Resolution upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or now or hereafter existing at law or in equity or by statute.

(Section 12.10)

Waiver and Non-Waiver of Default

No delay or omission of the Trustee or any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein. Every power and remedy given by the Resolution to the Trustee and the Bondholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee, upon 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, shall waive any default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the Resolution or before the completion of the enforcement of any other remedy under the Resolution.

(Section 12.11)

Notice of Event of Default

The Trustee shall give notice of each event of default under the Resolution known to the Trustee to the Applicable Counties and to any provider of a Credit Facility, within five (5) days after knowledge of the occurrence thereof and to the Holders of Applicable Bonds within thirty (30) days after knowledge of the occurrence thereof, unless such event of default shall have been remedied or cured before the giving of such notice; *provided, however*, that, except in the case of default in the payment of the principal, Sinking Fund Installments or Redemption Price of, or interest on, any of the Applicable Bonds, the Trustee shall be protected in withholding notice thereof to the Holders of Applicable Bonds if and so long as the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Applicable Bonds. Each such notice of event of default shall be given by the Trustee (i) to Applicable Bondholders in accordance with the provisions of the Resolution; (ii) by giving written notice thereof to any provider of a Credit Facility and to such other persons as is required by law; and (iii) by filing a copy of such notice with EMMA.

(Section 12.12)

Defeasance

(a) (1) If the Issuer shall pay or cause 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 Resolution, and in the Applicable Series Resolution and Certificate of Determination, then the pledge of the Applicable Revenues, Applicable Pledged Revenues or other money and securities pledged to such Bonds and all other rights granted by the Resolution to such Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Issuer, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Issuer, and all money or securities held by it pursuant hereto and to the Applicable Series Resolution which are not required for the payment or redemption of Bonds of such Applicable Series shall be paid or delivered by the Trustee as follows: first, to the Applicable Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Issuer;

and second, to the Issuer the amount certified by an Authorized Officer of the Issuer to be then due or past due pursuant to an Applicable Agreement for fees and expenses of the Issuer or pursuant to any indemnity related to such Applicable Series of Bonds; and, then, the balance thereof to the Applicable Counties. Such money and securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Applicable Series Resolution or Applicable Agreement.

(2) Notwithstanding any provision of the Resolution to the contrary, if any County shall have prepaid the amounts due under its Agreement and in accordance therewith shall pay or cause to be paid its Allocable Portion of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest on the Bonds or portions thereof applicable to such Agreement at the times and in the manner stipulated therein, in the Resolution, and in the Applicable Series Resolution and the Applicable Certificate of Determination, then the pledge of the Revenues, Pledged Revenues or other moneys and securities pledged with respect to such Agreement or any portion thereof and all other rights granted under such Agreement shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Issuer, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the County, and the Issuer, and all moneys or other securities held by it pursuant to the Resolution and to a Series Resolution which are not required for the payment or redemption of its Allocable Portion of the Bonds of such Series to be defeased or any portion thereof not theretofore surrendered for such payment or redemption shall be paid or delivered by the Trustee as follows: first, to the Applicable Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of the Issuer; second, to the Issuer the amount certified by the Issuer to be then due or past due pursuant to the Applicable Agreement to be prepaid for fees and expenses of the Issuer or pursuant to any indemnity; and, then, the balance thereof to such County. Such moneys or investments so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created hereby, by a Series Resolution or by such Agreement.

(b) Bonds for the payment or redemption of which money shall have been set aside and shall be held in trust by the Trustee (through deposit of money for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subdivision (a) above. All Outstanding Bonds of any Series or any maturity within a Series or a portion of a maturity within a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) above if:

(1) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in the Resolution notice of redemption on said date of such Bonds;

(2) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which, together with money, if any, deposited with the Trustee at the same time, shall 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;

(3) the Issuer shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, a notice to the Holders of such Bonds in accordance with the provisions of the Resolution that the deposit required by clause (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Resolution and stating such maturity or redemption date upon which money is 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; and

(4) the Trustee shall have received a Verification Report or other documentation reasonably acceptable to each of the Trustee and the Issuer as to the sufficiency of the Defeasance Securities and money on deposit in accordance with the provisions of this subparagraph (b).

The Trustee shall give written notice to each Rating Service then rating said Bonds of the Issuer's selection of the Series and maturity the payment of which is to be made in accordance with the Resolution. The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in accordance with the Resolution. Neither Defeasance Securities nor money deposited with the Trustee pursuant to the defeasance provisions nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall 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 money received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, 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 of the Resolution, as the case may be; **provided, further**, that money and Defeasance Securities may be withdrawn and used by the Issuer for any purpose upon (i) the simultaneous substitution therefor of either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which without regard to reinvestment, together with the money, if any, held by or deposited with the Trustee at the same time, shall 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 such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (ii) receipt by the Trustee of a Verification Report or other documentation reasonably acceptable to each of the Trustee and the Issuer as to the sufficiency of the Defeasance Securities or money being substituted. Any income or interest earned by, or increment to, the investment of any such money so deposited, shall, to the extent certified by the Trustee to be in excess of the amounts required to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Issuer; and second to the Issuer the amount certified by an Authorized Officer of the Issuer to be then due or past due pursuant to an Applicable Agreement for fees and expenses of the Issuer or pursuant to any indemnity; and, then, the balance thereof to the Applicable County. Such money and securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Applicable Series Resolution or Applicable Agreement.

(c) For the purpose of determining whether an Option Bond shall be deemed to have been paid in accordance with the defeasance provisions, there shall be deposited with the Trustee money or Defeasance Securities in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; **provided, however**, that if, at the time a deposit is made with the Trustee pursuant to paragraph (b) above, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph (c). If any portion of the money or Defeasance Securities deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose, the Trustee shall, if requested by the Issuer, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Issuer; second, to the Issuer the amount certified by an Authorized Officer of the Issuer to be then due or past due pursuant to an Applicable Agreement for fees and expenses of the Issuer or pursuant to any indemnity; and, then, the balance thereof to an Applicable County. Such money or Defeasance Securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by an Applicable Series Resolution or an Applicable Agreement.

(d) For the purpose of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, in accordance with paragraph (b) above, such determination shall be made in accordance with the provisions of the Series Resolution or the Certificate of Determination relating to such Series of Bonds.

(Section 13.1)

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FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL

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FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL

Upon the delivery of the Series 2022 Bonds, Barclay Damon LLP, Albany, New York, and Law Offices of Joseph C. Reid, P.A., New York, New York, Co-Bond Counsel to DASNY, propose to issue their respective legal opinions in substantially the following form:

[Delivery Date]

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

Re: Dormitory Authority of the State of New York
Raise the Age Revenue Bond Financing Program Revenue Bonds, Series 2022

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 of \$16,120,000 aggregate principal amount of its above-referenced bonds (the "Bonds"), issued pursuant to the provisions of the Dormitory Authority Act, as amended, constituting Chapter 524 of the Laws of 1944 of New York, as amended (constituting Title 4 of Article 8 of the New York Public Authorities Law) (the "Act"), the Authority's Raise the Age Revenue Bond Financing Program Revenue Bond Resolution, adopted September 7, 2022 (the "Resolution"), and the Authority's Series Resolution 2022-1 Authorizing Up to \$22,000,000 Raise the Age Revenue Bonds, adopted September 7, 2022, including the Certificate of Determination executed and delivered concurrently with the issuance of the Bonds (the "Series 2022 Resolution"). The Resolution and the Series 2022 Resolution are herein collectively referred to as the "Resolutions." Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

With respect to the Bonds, the Authority has entered into a Financing Agreement, dated as of December 7, 2022 (the "Agreement"), with the County of Albany, New York (the "County") providing, among other things, for a financing to the County for the purposes permitted thereby and by the Resolutions.

Pursuant to the Agreement, the County is required to make payments scheduled to be sufficient to pay the principal, sinking fund installments and redemption price of and interest on the Bonds as the same become due, which payments have been pledged by the Authority to the Trustee for the benefit of the holders of the Bonds. The Bonds are to mature on the dates and in the years and amounts and interest on the Bonds is payable at the rates and in the amounts set forth in the Certificate of Determination executed and delivered pursuant to the Resolutions.

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

In such connection, we have reviewed the Resolutions, the Agreement, the Tax Certificate of the Authority dated the date hereof (the "Tax Certificate"), the Arbitrage and Use of Proceeds Certificate of the County dated the date hereof (the "Arbitrage and Use of Proceeds Certificate"), the opinion of counsel to the Trustee, the opinion of bond counsel to the County, certificates of the Authority, the Trustee, the County and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the use of proceeds of the Bonds and the facilities financed by such proceeds, restrictions on the investment of such proceeds and other amounts, the rebate of certain earnings in respect of such investments to the United States, and required ownership by a governmental unit of the facilities financed by the Bonds. Failure to comply with such

requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactive to the date of their issuance irrespective of the date on which such noncompliance occurs. The Authority, the County, and others have made certain representations, certifications of fact, and statements of reasonable expectations and the Authority and the County have given certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In rendering the opinions set forth in paragraphs 6 and 7 below, we have assumed the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the Authority, the County and others, and continuing compliance with the covenants, representations, warranties, provisions and procedures set forth in the Resolutions, the Agreement, the Tax Certificate and the Arbitrage and Use of Proceeds Certificate. In the event of the inaccuracy or incompleteness of any of the representations, certifications of fact or statements of reasonable expectations made by the Authority or the County, or the failure by the Authority or the County to comply with the covenants, representations, warranties, provisions and procedures set forth in the Resolutions, the Agreement, the Tax Certificate and the Arbitrage and Use of Proceeds Certificate, interest on the Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance and delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs. We render no opinion as to the exclusion from gross income of interest on the 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 Agreement, the Tax Certificate and the Arbitrage and Use of Proceeds Certificate or under any other relevant documents without the advice or approval of, or upon the advice or approval of any bond counsel other than, [Barclay Damon LLP][Law Offices of Joseph C. Reid, P.A.]. Further, although the interest on the Bonds 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 Bond. The tax effect of receipt or accrual of the interest will depend upon the tax status of such holder of a Bond and such holder's other items of income, deduction or credit.

The opinions expressed herein are based on an analysis of existing statutes, 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 actions taken, or not taken, or events occurring, or not occurring, after the date hereof may affect the tax status of interest on the Bonds. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. 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 Agreement, the Tax Certificate and the Arbitrage and Use of Proceeds Certificate, 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 Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Resolutions, the Agreement, the Tax Certificate and the Arbitrage and Use of Proceeds Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. 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 foregoing documents. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto herein.

Based on the foregoing and subject to the further assumptions and qualifications hereinafter set forth, we are of the opinion that:

1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York, with the right and lawful authority and power to adopt the Resolutions and to issue the Bonds thereunder.

2. The Resolutions have been duly and lawfully adopted by the Authority, are in full force and effect, and constitute legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms. The Resolutions create a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established pursuant to the Resolutions in respect of the Bonds, except the Arbitrage Rebate Fund created thereby, 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.

3. The Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State of New York, including the Act, and in accordance with the Resolutions. The Bonds are legal, valid and binding special limited obligations of the Authority payable solely from the sources provided therefor in the Resolutions, and will be entitled to the benefit of Resolutions and the Act.

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

5. The 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 of or interest on the Bonds. The 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, and assuming compliance with certain covenants described herein, and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the Authority, the County and others, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Furthermore, interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code; however, for tax years beginning after December 31, 2022, interest on the Bonds that is included in the adjusted financial statement income of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code.

7. Under existing law, interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

We express no opinion regarding any other federal, state or local tax consequences with respect to the Bonds except as stated in paragraphs 6 and 7 above. Our opinion speaks as of the date hereof and does not contain or provide any opinion or assurance regarding the future activities of the Authority, the County or about the effect of future changes in the Code, the applicable regulations, rulings, judicial decisions, the interpretation thereof or the enforcement thereof by the Internal Revenue Service. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel (other than Co-Bond Counsel, to the extent that we both render such opinion) regarding federal, state or local tax matters, including, without limitation, the exclusion of interest on the Bonds from gross income for federal income tax purposes.

We have also examined an executed Bond, and the form of said bond and its execution are regular and proper.

Very truly yours,

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FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

THIS AGREEMENT, dated the date of issuance of the Bonds (defined below) (the “Agreement”), is made by and between the County and the Trustee, each as defined below in Section 1.

In order to permit the Underwriters to comply with the provisions of Rule 15c2-12 in connection with the public offering of the Bonds, the parties hereto, in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agree for the sole and exclusive benefit of the Holders as follows:

Section 1. Definitions. Capitalized terms used but not defined herein as follows shall have the meaning ascribed to them in the Resolution.

“Agreement” shall mean this Agreement as the same from time to time may be amended and supplemented in accordance with the terms hereof.

“Annual Information” shall mean the information specified in Section 3 hereof.

“Authority” shall mean the Dormitory Authority of the State of New York, a public benefit corporation of the State of New York and the issuer of the Bonds, and any successor thereto.

“Bonds” shall mean the Dormitory Authority of the State of New York Raise the Age Revenue Bond Financing Program Revenue Bonds, Series 2022.

“County” shall mean the County of Albany, New York and, an “obligated person” with respect to the Bonds within the meaning of Rule 15c2-12.

“DTC” shall mean The Depository Trust Company, New York, New York, which is acting as the Depository for the Bonds within the meaning of the Resolution.

“EMMA” means the Electronic Municipal Market Access System of the MSRB.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“GAAS” shall mean generally accepted auditing standards as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Bonds and for the purpose of Section 5 of this Agreement only, if registered in the name of DTC (or a nominee thereof) or in the name of any other entity (or a nominee thereof) that acts as a “clearing corporation” within the meaning of the New York Uniform Commercial Code and is a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, any beneficial owner of Bonds.

“Listed Events” shall mean the events listed in Section 2(i)(b) hereof.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

“OCFS” shall mean the New York State Office of Children and Family Services.

“OCFS Funding Certificate” shall mean the OCFS Funding Certificate set forth in Exhibit A hereto.

“OCFS Monthly and Annual Payments” shall mean the monthly and annual payments made by OCFS to the County in each fiscal year of the County as described in Exhibit A hereto.

“Outstanding” shall mean Outstanding within the meaning of the Resolution.

“Rating Agency” shall mean Moody’s or any other nationally recognized rating service which has assigned a rating to the Bonds.

“Resolution” shall mean the Authority’s Raise the Age Financing Program Revenue Bond Resolution, adopted September 7, 2022, and the Authority’s Series Resolution 2022-1, Authorizing Up to \$22,000,000 Raise the Age Revenue Bonds adopted September 7, 2022.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Agreement.

“Trustee” shall mean The Bank of New York Mellon, a state banking corporation organized and existing under the laws of the State of New York, and any successor thereto.

“Underwriters” shall mean the underwriter or underwriters that have contracted to purchase the Bonds from the Authority upon initial issuance.

Section 2. Obligations to Provide Continuing Disclosure.

(i) Obligations of the County.

(a) The County hereby undertakes, for the benefit of the Holders, to provide to EMMA, no later than 180 days after the end of each of its fiscal years, commencing with the County’s current fiscal year (unless audited financial statements for the County’s most recently completed fiscal year have not, as of the date hereof, been provided to EMMA, in which case such obligation shall commence with the County’s most recently completed fiscal year), the Annual Information relating to such fiscal year, together with audited financial statements of the County for such fiscal year provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided and such audited financial statements shall be delivered to EMMA when they become available.

(b) The County hereby undertakes, for the benefit of the Holders, to provide to EMMA, in a timely manner not in excess of ten (10) business days following its occurrence, written notice of any of the following Listed Events with respect to the Bonds:

Listed Events: Listed Events. The following events with respect to the Bonds constitute

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, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modification to rights of bondholders, if material;
8. bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the County or the Authority*;
13. the consummation of a merger, consolidation, or acquisition involving the County or sale of all or substantially all of the assets of the County, 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;

* For the purposes of the event identified in clause (12), 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 governmental 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. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a financial obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect bondholders, if material**; and
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties**.

(c) The County shall provide to EMMA, in a timely manner, notice of a failure by the County to comply with Section 2(i)(a) hereof.

(d) Not later than February 1 of each year the County shall deliver to the Deputy Commissioner for Administration of OCFS the OCFS Funding Information Request Certificate attached hereto as Exhibit A. Upon receipt by the County from OCFS of the completed OCFS Funding Certificate, such information shall be included in the Annual Information to be provided to EMMA in accordance with to Section 2 (i) (a) hereof.

(ii) Termination of Disclosure Obligation. The obligations of the County may be terminated if the County is no longer an “obligated person” as defined in Rule 15c2-12 with respect to the Bonds. Upon any such termination, the County shall provide notice thereof to EMMA.

(iii) Other Information. Nothing herein shall be deemed to prevent the County from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the County should disseminate any such additional information, the County shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(iv) Electronic Format. All documents, reports, notices, statements, information and other materials provided to the MSRB and EMMA under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB as set forth in Schedule A hereto.

Section 3. Annual Information.

(i) Specified Information. The Annual Information shall consist of the following:

** As used in clauses (15) and (16), the term financial obligation means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final Official Statement has been provided to the MSRB consistent with Rule 15c2-12.

(a) operating data and financial information relating to the County generally of the type included in the Official Statement for the Bonds under “Appendix B – Certain Financial and Economic Information Relating to Albany County” and the OCFS Monthly and Annual Payments (on a cash basis) paid to the County for each fiscal year applicable to such Annual Information (only to the extent that the foregoing information is not included in the audited financial statements of the County); together with

(b) a *narrative explanation*, if necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial and operating data concerning the County and in judging the financial and operating condition of the County.

(ii) Cross Reference. All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which have been filed with EMMA or the MSRB.

(iii) Informational Categories. The requirements contained in this Agreement under Section 3(i) are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of Section 3(i) call for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided.

Section 4. Financial Statements.

The County’s annual financial statements for each fiscal year shall be prepared in accordance with GAAP unless applicable accounting principles are otherwise disclosed in the Official Statement and audited by an independent accounting firm in accordance with GAAS.

Section 5. Remedies.

The sole and exclusive remedy for breach of this Agreement shall be an action to compel specific performance of the obligations of the parties hereunder. No person or entity shall be entitled to recover any monetary damages hereunder under any circumstances. The County may be compelled to comply with its obligation to provide information required under this Agreement by any Holder or by the Trustee on behalf of the Holders; provided, however, that the Trustee shall not be required to take any enforcement action except at the direction of the Holders of not less than 25% in aggregate principal amount of Bonds at the time Outstanding.

Failure by any party to perform its obligations hereunder shall not constitute an Event of Default under the Resolution or an event of default under any other agreement executed and delivered in connection with the issuance of the Bonds including, but not limited to, the Financing Agreement.

Section 6. Parties in Interest.

This Agreement is executed and delivered solely for the benefit of the Holders. No other person (other than the Trustee on behalf of the Holders) shall have any right to enforce the

provisions hereof or any other rights hereunder, except that the Authority shall have the right to enforce the provisions hereof and to assert rights hereunder.

Section 7. Amendments.

Without the consent of any Holders or the Credit Facility Provider, the County, and the Trustee, with the written consent of the Authority, at any time and from time to time may enter into amendments or changes to this Agreement for any of the following purposes:

(i) to comply with or conform to any changes in Rule 15c2-12 or any formal authoritative interpretations thereof by the Securities and Exchange Commission or its staff (whether required or optional);

(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 County or the Trustee and the assumption by any such successor of the covenants of the County or the Trustee hereunder;

(iv) to add to the covenants of the County for the benefit of the Holders, or to surrender any right or power herein conferred upon the County;

(v) for any purpose for which, and subject to the conditions pursuant to which, amendments may be made under Rule 15c2-12, as amended or modified from time to time, or any formal authoritative interpretations thereof by the Securities and Exchange Commission; or its staff; or

(vi) for any other purpose, if (a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the County or any type of business or affairs conducted by either; (b) the undertakings set forth herein, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering of the Bonds, after taking into account any amendments or formal authoritative interpretations by the Securities and Exchange Commission of Rule 15c2-12, as well as any change in circumstances; and (c) the amendment does not materially impair the interests of the Holders, as determined either by the Trustee or by nationally recognized bond counsel. In determining whether or not the interests of the Holders are materially impaired, the Trustee may rely upon an opinion of nationally recognized bond counsel.

Annual Information for any fiscal year containing any amended operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such amendment and the impact of the change on the type of operating data or financial information in the Annual Information being provided for such fiscal year.

If a change in accounting principles is included in any such amendment, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the amended accounting principles and those prepared on the basis of the former accounting principles for the fiscal year in which such change is made. The comparison should include a qualitative discussion of the differences in the accounting principles and the impact of

the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the County to meet its obligations. To the extent reasonably feasible, the comparison also should be quantitative. A notice of the change in accounting principles shall be sent to the Authority and to EMMA.

Section 8. Termination.

Subject to Section 2(ii) hereof, this Agreement shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Bonds shall have been paid in full or the Bonds shall have otherwise been paid or defeased pursuant to the Resolution; provided, however, that if Rule 15c2-12 (or successor provision) shall be amended, modified or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and provided, further, that if and to the extent Rule 15c2-12 (or successor provision), or any provision thereof, shall be declared by a court of competent and final jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of Rule 15c2-12 so declared, shall no longer be required to be provided hereunder.

Section 9. No Trustee Responsibility.

The parties acknowledge that neither the Authority 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 Agreement other than solely with respect to the Trustee specified in Section 5 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 solely with respect to the Trustee those notices required under said Section 5. 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. The Authority (as conduit issuer) is not, for purposes of and within the meaning of Rule 15c2-12, (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.

Section 10. Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW.

IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Agreement.

THE BANK OF NEW YORK MELLON, as
Trustee for the benefit of the Bondholders

COUNTY OF ALBANY, NEW YORK,
Obligated Person

By: _____
Authorized Officer

By: _____
Name: _____
Title: _____

[Signature Page to Continuing Disclosure Agreement]

**SCHEDULE A TO CONTINUING DISCLOSURE AGREEMENT
DATED _____, 2022**

COUNTY OF ALBANY, NEW YORK

The table below identifies the maturity dates and CUSIP numbers for the **DORMITORY AUTHORITY OF THE STATE OF NEW YORK RAISE THE AGE REVENUE BOND FINANCING PROGRAM REVENUE BONDS, SERIES 2022** payment of which (in whole or in part) is supported by a pledge of payments of principal of and interest to be made by the County of Albany, New York pursuant to the Financing Agreement dated as of December 7, 2022.

Due

CUSIP

Exhibit A

OCFS FUNDING INFORMATION REQUEST

Deputy Commissioner of Administration
NYS Office of Children and Family Services
52 Washington Street, Room 203 South
Rensselaer, NY 12144

In connection with the obligation of Albany County (the “County”) to provide annual information under that certain Continuing Disclosure Agreement dated _____, 2022 by and between the County and The Bank of New York Mellon, as Trustee, with respect to the Dormitory Authority of the State of New York Raise the Age Revenue Bond Financing Program Revenue Bonds Series 2022, please complete and sign the attached OCFS Funding Certificate and return the same to me no later than thirty (30) days from the date hereof at the following address: [Insert return address for the County]

[Insert signature block for requesting
County Officer]

OCFS FUNDING CERTIFICATE

I, the undersigned, _____ of the New York State Office of Children and Family Services (“OCFS”) do hereby certify as follows:

1. The total of all payments made by OCFS to the County of Albany, New York (the “County”) during the calendar year 20__ were \$ _____.

2. The payments made by OCFS to the County in each month during calendar year 20__ were the following amounts:

<u>Month</u>	<u>OCFS Funds Paid to the County</u>
January	\$ _____
February	\$ _____
March	\$ _____
April	\$ _____
May	\$ _____
June	\$ _____
July	\$ _____
August	\$ _____
September	\$ _____
October	\$ _____
November	\$ _____
December	\$ _____

WITNESS my official signature as of the ____ day of _____, 20__.

**NEW YORK STATE OFFICE OF CHILDREN
AND FAMILY SERVICES**

By: _____
Name:
Title:

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