



\$30,715,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
OCEANSIDE LIBRARY REVENUE BONDS,
SERIES 2022

Dated: Date of Delivery

Due: July 1, as shown on inside cover

Payment and Security: The Oceanside Library Revenue Bonds, Series 2022 (the "Series 2022 Bonds") are special obligations of the Dormitory Authority of the State of New York ("DASNY"), payable solely from and secured by a pledge of certain payments to be made under the Loan Agreement (the "Loan Agreement") dated as of February 2, 2022 between Oceanside Library (the "Library") and DASNY, and all the funds and accounts (except the Arbitrage Rebate Fund) authorized under DASNY's Oceanside Library Revenue Bond Resolution, adopted February 2, 2022 (the "Resolution") and established under DASNY's Series Resolution Authorizing Up To \$35,000,000 Oceanside Library Revenue Bonds, Series 2022, adopted February 2, 2022 (the "Series 2022 Resolution").

The Loan Agreement is a general obligation of the Library and requires the Library to pay, in addition to the fees and expenses of DASNY and U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as trustee (the "Trustee"), amounts sufficient to pay the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Series 2022 Bonds, as such payments become due. The obligations of the Library under the Loan Agreement are secured by a pledge of all revenues of the Library, including real property tax assessments on all non-exempt real property located in the School District (as defined herein), levied for Library purposes.

The Series 2022 Bonds will not be a debt of the State of New York (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 (due January 1, 2023 and each July 1 and January 1 thereafter) on the Series 2022 Bonds will be payable by check or draft mailed to the registered owners thereof. Principal and Redemption Price of the Series 2022 Bonds will be payable at the designated corporate trust office of the Trustee and Paying Agent.

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 and 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."

Redemption: *The Series 2022 Bonds are subject to redemption, and purchase in lieu of optional redemption prior to maturity as more fully described in this Official Statement.*

Tax Exemption: In the opinion of each of Hodgson Russ LLP and Golden Holley James LLP, Co-Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming, among other things, the accuracy of certain representations and certifications and compliance with certain covenants, 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 also of the opinion that such interest on the Series 2022 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Co-Bond Counsel are further of the opinion that interest on the Series 2022 Bonds is exempt from personal income taxes of the State of New York and any political subdivision thereof (including The City of New York). Co-Bond Counsel express no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series Bonds. See "PART 11 – TAX MATTERS" herein.

The Series 2022 Bonds are offered when, as and if issued and received by the Underwriter. The offer of the Series 2022 Bonds may be subject to prior sale or withdrawn or modified at any time without notice. The offer is subject to the approval of legality of the Series 2022 Bonds by Hodgson Russ LLP, Albany, New York, and Golden Holley James LLP, New York, New York, Co-Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Library by its special counsel, Hawkins Delafield & Wood LLP, New York, New York and its General Counsel, Mary Jane McGrath, Esq. Certain legal matters will be passed upon for the Underwriter by its counsel, Bond, Schoeneck & King, PLLC, Syracuse, New York. DASNY expects to deliver the Series 2022 Bonds in definitive form in New York, New York, on or about March 3, 2022.

Roosevelt & Cross Incorporated

\$30,715,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
OCEANSIDE LIBRARY REVENUE BONDS,
SERIES 2022

\$10,925,000 Serial Bonds

<u>Due</u> <u>July 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Number</u> [†]
2023	\$315,000	4.000%	0.950%	65000BKA5
2024	735,000	4.000	1.180	65000BKB3
2025	770,000	4.000	1.350	65000BKC1
2026	585,000	4.000	1.460	65000BKD9
2027	605,000	5.000	1.530	65000BKE7
2028	635,000	5.000	1.600	65000BKF4
2029	670,000	5.000	1.670	65000BKG2
2030	700,000	5.000	1.720	65000BKH0
2031	735,000	5.000	1.770**	65000BKJ6
2032	775,000	5.000	1.810**	65000BKK3
2033	810,000	4.000	1.980**	65000BKL1
2034	845,000	4.000	2.080**	65000BKM9
2035	880,000	4.000	2.170**	65000BKN7
2036	915,000	4.000	2.250**	65000BKP2
2037	950,000	4.000	2.350**	65000BKQ0

\$5,355,000 4.000% Term Bonds due July 1, 2042 Yield 2.580% CUSIP Number[‡] 65000BKR8**
\$14,435,000 4.000% Term Bonds due July 1, 2052 Yield 2.790% CUSIP Number[‡] 65000BKS6**

[†] Copyright, American Bankers Association (ABA). CUSIP data herein are provided by CUSIP Global Services, operated on behalf of the ABA by S&P Capital IQ, a division of McGraw-Hill Financial, Inc. 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. Neither DASNY nor the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 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.

** Priced at the stated yield to the July 1, 2030 optional redemption date 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.

No dealer, broker, salesperson or other person has been authorized by DASNY, the Library or the Underwriter 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 DASNY, the Library or the Underwriter.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Series 2022 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Certain information in this Official Statement has been supplied by the Library and other sources that DASNY believes are reliable. Neither DASNY nor the Underwriter guarantees the accuracy or completeness of such information and such information is not to be construed as a representation of DASNY or the Underwriter. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Library has reviewed the parts of this Official Statement describing the Library, the Project (as defined herein), the Tax Referendum (as defined herein), the Estimated Sources and Uses of Funds and Appendix B. The Library will certify as of the dates of sale and delivery by DASNY of the Series 2022 Bonds that such parts of this Official Statement do not contain any untrue statements of a material fact and do not omit any material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading. The Library 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 Resolution, the Series 2022 Resolution and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2022 Resolution and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2022 Resolution and the Loan Agreement are on file with DASNY and the Trustee.

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

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

IN CONNECTION WITH THE OFFERING OF THE SERIES 2022 BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2022 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. – CHAIR

OFFICIAL STATEMENT RELATING TO:

\$30,715,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
OCEANSIDE LIBRARY REVENUE BONDS,
SERIES 2022

PART 1 – INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page and appendices, is to provide information about the Dormitory Authority of the State of New York (“DASNY”) and the Oceanside Library (the “Library”) in connection with the offering by DASNY of \$30,715,000 principal amount of its Oceanside Library Revenue Bonds, Series 2022 (the “Series 2022 Bonds”).

The following is a brief description of certain information concerning the Series 2022 Bonds, DASNY and the Library. 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 capitalized terms used in this Official Statement are defined in Appendix A hereto.

Purpose of the Issue

The Series 2022 Bonds are being issued to finance or refinance all or a portion of the cost of a project (the “Project”) consisting of (i) acquiring, constructing, reconstructing, renovating, equipping or otherwise providing for additions and/or alterations and improvements to the Library’s existing main library building located at 30 Davison Avenue, Oceanside, New York, and the site thereof, including but not limited to the original furnishings, equipment, machinery, apparatus and ancillary or related sitework required in connection therewith, more specifically to include the expansion of the existing building by approximately 15,000 square feet to a total of approximately 45,000 square feet; acquisition of adjacent property to provide additional parking; repairs to or replacement of roof, windows, HVAC, lights, bathrooms, parking lots, sidewalks, exterior lighting and elevator; and redesign and renovation of facilities to enhance safety, energy efficiency and programming, (ii) refunding all or a portion of DASNY’s Oceanside Library Insured Revenue Bonds, Series 2005 (the “Refunded Bonds”), and (iii) paying costs of issuance and capitalized interest, if any, and funding the debt service reserve fund for the Series 2022 Bonds, if any, at its requirement. See “PART 5 – PLAN OF FINANCE” and “PART 6 – ESTIMATED SOURCES AND USES OF FUNDS.”

Authorization of Issuance

The Series 2022 Bonds will be issued pursuant to DASNY’s Oceanside Library Revenue Bond Resolution, adopted February 2, 2022 (the “Resolution”), DASNY’s Series Resolution Authorizing Up To \$35,000,000 Oceanside Library Revenue Bonds, Series 2022, adopted February 2, 2022 (the “Series 2022 Resolution”), and the Dormitory Authority Act, being Chapter 524 of the Laws of 1944 of the State of New York, as amended to the date hereof (the “Act”). The Resolution authorizes the issuance of multiple Series of Bonds.

DASNY

DASNY is a public benefit corporation of the State, created for the purpose of financing and constructing a variety of public-purpose facilities for certain educational, governmental and not-for-profit institutions. See “PART 8 – DASNY.”

The Library

The Library is a not-for-profit corporation duly incorporated and existing under the laws of the State and chartered by the Board of Regents of the State. The Library is organized as a free association library and is located on Long Island in Oceanside, New York. The Library is maintained for the benefit and free use of the residents of the Oceanside Union Free School District (the “School District”), Town of Hempstead (the “Town”), Nassau County, New York. The Library has no independent taxing power and the Series 2022 Bonds will not be a debt of the School District nor will the School District be liable thereon. See “PART 4 – THE LIBRARY” and “Appendix B – Financial Statements of Oceanside Library and Independent Auditors’ Report.”

The Series 2022 Bonds

The Series 2022 Bonds will be dated their date of delivery and will bear interest from such date (payable January 1, 2023 and on each July 1 and January 1 thereafter) at the rates and will mature at the times set forth on the inside cover page of this Official Statement. See “PART 3 – THE SERIES 2022 BONDS – Description of the Series 2022 Bonds.”

Payment of the Series 2022 Bonds

The Series 2022 Bonds will be special obligations of DASNY payable solely from the Revenues, which consist of certain payments to be made to DASNY by the Library under the Loan Agreement. The Loan Agreement is a general obligation of the Library. Pursuant to the Resolution and the Series 2022 Resolution, the Revenues and DASNY’s right to receive the Revenues have been pledged and assigned to U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as trustee (the “Trustee”). See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS – Payment of 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 the Revenues and the security interest in the Pledged Revenues granted by the Library to DASNY under the Loan Agreement. DASNY’s security interest in the Pledged Revenues will be a first lien thereon. The Pledged Revenues consist primarily of moneys derived from real property tax levies made on behalf of the Library by Nassau County, New York (the “County”) and collected by the Town. The Real Property Tax Law governs methods and procedures to levy, collect and enforce this tax.

The Series 2022 Bonds will also be secured by all funds and accounts authorized by the Resolution and established by the Series 2022 Resolution (with the exception of the Arbitrage Rebate Fund). In the event of nonpayment by the Library under the Loan Agreement, DASNY is authorized by law to direct State and local officers including, without limitation, officers of the Town to pay over to DASNY any and all funds owed to the Library by the State or any political subdivision thereof in an amount sufficient to make all payments required to be made under the Loan Agreement. Such funds represent a portion of the Pledged Revenues. The Library may incur debt secured by a parity lien on certain of the Pledged Revenues (excluding the portion of the Pledged Revenues derived from the tax levy authorized by the Tax Referendum (as herein defined)) with prior written notice to DASNY. See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS – Security for the Series 2022 Bonds.”

The Resolution authorizes the issuance by DASNY, from time to time, of Bonds in one or more Series, each such Series to be authorized by a separate Series Resolution and to be separately secured from each other Series of Bonds. The Holders of Bonds of a Series shall not be entitled to the rights and benefits conferred upon the Holders of Bonds of any other Series.

The Series 2022 Bonds will not be a debt of the County, the Town, or the School District, nor will the County, the Town, or the School District be liable thereon or under the Loan 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.

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

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2022 Bonds and certain related covenants. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Resolution, the Series 2022 Resolution, the Collection Agreement (defined below), and the Loan Agreement. Copies of the Resolution, the Series 2022 Resolution, the Collection Agreement, and the Loan Agreement are on file with DASNY and the Trustee. See also “Appendix C – Summary of Certain Provisions of the Loan Agreement” and “Appendix D – Summary of Certain Provisions of the Resolution” for a more complete statement of the rights, duties and obligations of the parties thereto. All references to the Debt Service Fund refer to such fund established pursuant to the Resolution and the Series 2022 Resolution.

Payment of the Series 2022 Bonds

The Series 2022 Bonds will be special obligations of DASNY. The principal, Sinking Fund Installments and Redemption Price of and interest on the Series 2022 Bonds are payable solely from the Revenues. The Revenues consist of the required payments to be made by the Library under the Loan Agreement to satisfy the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Series 2022 Bonds. The Revenues and the right to receive them have been pledged and assigned to the Trustee for the benefit of the Series 2022 Bondholders.

The Loan Agreement is a general obligation of the Library and obligates the Library to make payments on account of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on Outstanding Series 2022 Bonds. Such payments are to be made annually on or before December 1, in an amount equal to the interest coming due on the immediately succeeding interest payment dates (January 1 and July 1) and the principal and Sinking Fund Installments, if any, coming due on the next succeeding July 1. The Loan Agreement also obligates the Library to pay on or before a redemption date of Series 2022 Bonds called for redemption, the amount, if any, required to pay the Redemption Price or purchase price of such Series 2022 Bonds. See “PART 3 – THE SERIES 2022 BONDS – Redemption and Purchase in Lieu of Optional Redemption Provisions.”

DASNY has directed, and the Library has agreed, to make such payments directly to the Trustee. Such payments are to be applied by the Trustee to the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Series 2022 Bonds.

Authorization of Project, Payment and Tax Levy

On June 9, 2020, a referendum (the “Tax Referendum”) was held by the electorate of the School District wherein, by a majority vote, the Library was authorized to undertake the Project including the financing thereof. The referendum further authorized the School District to cause the County to levy a tax in annual installments in such amount as is necessary for Library services pursuant to the written contract between the Board of Education of the School District and the Library, including the payment of principal of and interest and redemption premium, if any, on bonds issued to finance the Project. The referendum also authorized the Library, pursuant to the Loan Agreement, to assign and pledge to the Authority funds in an amount sufficient to make all payments required to satisfy the Library’s obligations in connection with the financing of the Project, and authorized such funds to be raised by a real property tax assessment on real property located within the School District to be levied annually by the County and collected by the Town for Library purposes. See “PART 4 – THE LIBRARY – GENERAL INFORMATION”.

Security for the Series 2022 Bonds

The Series 2022 Bonds will be secured by the pledge and assignment to the Trustee of the Revenues, the proceeds from the sale of the Series 2022 Bonds (until disbursed as provided in the Resolution), all funds and accounts authorized under the Resolution and established under the Series 2022 Resolution (with the exception of the Arbitrage Rebate Fund) and DASNY’s security interest in the Pledged Revenues. There will not be a Debt Service Reserve Fund established in connection with the issuance of the Series 2022 Bonds and the Series 2022 Bonds will not be secured by a mortgage or any interest in real property of the Library.

Pledged Revenues

The Pledged Revenues consist of all Public Funds and all revenues of the Library, including the real property tax levies made by the County for library purposes and collected by the Town on all non-exempt real property situated within the School District to be paid over annually to the Library and the Library's right to receive such revenues. To secure its payment obligations under the Loan Agreement, the Library will grant a security interest to DASNY in the Pledged Revenues. DASNY's security interest in the Pledged Revenues will be a first lien thereon and will not be subject to any preexisting liens. The Library may incur debt secured by a parity lien on the Pledged Revenues (excluding the portion of the Pledged Revenues derived from the tax levy authorized by the Tax Referendum) with the prior written consent of DASNY. See "PART 4 – THE LIBRARY" and "Appendix B – Financial Statements of Oceanside Library and Independent Auditors' Report."

In addition, in the event of nonpayment by the Library under the Loan Agreement, DASNY is authorized under the Act to direct State and local officers including without limitation, officers of the Town and the School District, to pay over to DASNY any and all Public Funds in an amount sufficient to make all payments required to be made under the Loan Agreement.

The Collection Agreement

In connection with the issuance of the Series 2022 Bonds, the Library, DASNY, the School District, the Town and the Trustee will execute the Tax Pledge and Collection Agreement (the "Collection Agreement"). Pursuant to the Collection Agreement, the Library directs the Town and the School District to collect, or cause to be collected, the real property tax levies made by the County and collected by the Town on behalf of the Library and the Library directs the School District to pay over those real property taxes collected directly to the Trustee (the "Receipts").

The Receipts will be deposited into a separate account held by the Trustee under the Collection Agreement (the "Tax Receipts Account"). For any Receipts transferred to the Tax Receipts Account prior to July 1, 2022, the Trustee shall promptly, and in no event later than three (3) business days following receipt, transfer those funds to the Library. Commencing July 1, 2022, promptly upon receipt of such Receipts during any twelve-month period beginning on July 1 and ending on the following June 30, and in no event later than three (3) business days following receipt of such Receipts, the Trustee shall transfer (i) for the 2022-23 fiscal year an amount equal to one-eighth (12.5%) of the principal and sinking fund installments of and interest on the Series 2022 Bonds (the "Debt Service Obligation") for such year to the Debt Service Fund and shall transfer any and all remaining portions of the Tax Receipts to the Library and (ii) for the 2023-24 Fiscal Year and each Fiscal Year thereafter, an amount equal to one-tenth (10%) of the Debt Service Obligation and shall transfer any and all remaining portions of the Tax Receipts to the Library. The amount transferred to the Debt Service Fund during the twelve-month period beginning on July 1 and ending on the following June 30 shall equal the Debt Service Obligation for such year set forth in "PART 3 – THE SERIES 2022 BONDS – Principal, Sinking Fund Installment and Interest Requirements for the Series 2022 Bonds."

Events of Default and Acceleration

The Resolution provides that events of default thereunder and under the Series 2022 Resolution constitute events of default only with respect to the Series 2022 Bonds. The following are events of default under the Resolution: (i) the payment of the principal, Sinking Fund Installments or Redemption Price of or interest on such Series 2022 Bonds shall not be made when due and payable; (ii) DASNY takes any action, or fails to take any action, which would cause such Series 2022 Bonds to be "arbitrage bonds" within the meaning of the Code, or fails to comply with the provisions of the Code and as a result thereof, interest on the Series 2022 Bonds shall no longer be excludable from gross income for federal income tax purposes; (iii) a default by DASNY in the due and punctual performance of any other covenant, condition, agreement or provision contained in the Series 2022 Bonds or in the Resolution or in the Series 2022 Resolution which continues for 30 days after written notice thereof is given to DASNY by the Trustee (such notice to be given at the Trustee's discretion or at the written request of Holders of not less than 25% in principal amount of outstanding Series 2022 Bonds); or (iv) an "Event of Default," as defined in the Loan Agreement, has occurred and is continuing and all sums payable by the Library under the Loan Agreement have been declared immediately due and payable (unless such declaration has been annulled). Unless all sums payable by the Library under the Loan Agreement are declared immediately due and payable, an event of default under the Loan Agreement is not an event of default under the Resolution.

The Resolution provides that if an event of default (other than as described in clause (ii) of the preceding paragraph) occurs and continues, the Trustee must, upon the written request of the Holders of not less than 25% in principal amount of the outstanding Series 2022 Bonds, declare the principal of and interest on all the Outstanding Series 2022 Bonds to be due and payable. At the expiration of 30 days from the giving of such notice, such principal and interest shall become immediately due and payable.

The Trustee may, with the written consent of the Holders of not less than 25% in principal amount of the Series 2022 Bonds then outstanding, annul such declaration and its consequences under the terms and conditions specified in the Resolution with respect to such annulment.

The Holders of not less than a majority in principal amount of the outstanding Series 2022 Bonds have the right to direct the method and place of conducting all remedial proceedings to be taken by the Trustee.

The Resolution provides that the Trustee shall give notice in accordance with the Resolution of each event of default known to the Trustee to the Holders of the Series 2022 Bonds within 30 days after knowledge of the occurrence thereof unless such default has been remedied or cured before the giving of such notice; provided, however, that, except in the case of default in the payment of principal, Sinking Fund Installments or Redemption Price of, or interest on, any of the Series 2022 Bonds, the Trustee shall be protected in withholding such notice thereof to the Holders if the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Series 2022 Bonds.

General

The Series 2022 Bonds will not be a debt of the State, the County, the Town or the School District nor will the State, the County, the Town or the School District be liable thereon or under the Loan Agreement. DASNY has no taxing power. See "PART 8 – DASNY."

PART 3 – THE SERIES 2022 BONDS

Description of the Series 2022 Bonds

The Series 2022 Bonds will be issued pursuant to the Resolution and the Series 2022 Resolution, will be dated the date of delivery of the Series 2022 Bonds and will bear interest from such date (payable January 1, 2023 and on each July 1 and January 1 thereafter) at the rates and will mature at the times set forth on the inside cover page of this Official Statement.

The Series 2022 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Series 2022 Bonds may be exchanged for Series 2022 Bonds of the same maturity of any other authorized denomination. The Trustee may impose a charge sufficient to reimburse DASNY or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such exchange or any transfer of a Series 2022 Bond.

The principal or Redemption Price of the Series 2022 Bonds will be payable at the designated corporate trust office of the Trustee. The Redemption Price of a Series 2022 Bond will be paid to any Bondholder of \$1,000,000 or more in aggregate principal amount of Series 2022 Bonds by wire transfer to the wire transfer address, within the continental United States specified by such Bondholder in the written request of such Bondholder made to the Trustee at the time the Series 2022 Bonds to be redeemed are presented and surrendered to the Trustee.

Interest on the Series 2022 Bonds will be payable by check or draft mailed to the registered owners thereof at their addresses as shown on the registration books held by the Trustee. Interest is payable to the registered owners who are such registered owners at the close of business on the fifteenth day of the calendar month next preceding an interest payment date. In the event the Series 2022 Bonds shall no longer be issued in book-entry only form, interest will be paid to any Bondholder of \$1,000,000 or more aggregate principal amount of Series 2022 Bonds by wire transfer to the wire transfer address, within the continental United States specified by such Bondholder, upon the written request of such Holder received by the Trustee not less than five (5) Business Days before an interest payment date, which written request may apply to multiple interest payment dates.

Such Bondholders may receive the Redemption Price to be paid on their Series 2022 Bonds by wire transfer at the address in the continental United States specified by such Bondholders in a written request given to the Trustee at the time presentation and surrender of the Series 2022 Bonds to be redeemed is made.

For a more complete description of the Series 2022 Bonds, see “Appendix D – Summary of Certain Provisions of the Resolution.”

Redemption and Purchase in Lieu of Optional Redemption Provisions

Optional Redemption

The Series 2022 Bonds maturing on or before July 1, 2030 are not subject to optional redemption prior to maturity. The Series 2022 Bonds maturing on or after July 1, 2031 are subject to redemption prior to maturity, on or after July 1, 2030, in any order at the option of DASNY, as a whole or in part at any time, at a Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

DASNY’s obligation to redeem Series 2022 Bonds other than through mandatory Sinking Fund Installments may be conditioned upon the deposit of sufficient money with the Trustee to pay the Redemption Price of the Series 2022 Bonds to be redeemed on the redemption date.

Special Redemption

The Series 2022 Bonds are also subject to redemption as a whole or in part at any time at a Redemption Price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, (i) from proceeds of a condemnation or insurance award, which proceeds are not used to repair, restore or replace the Project and (ii) from unexpended proceeds of the Series 2022 Bonds upon the abandonment of all or a portion of the Project due to a legal or regulatory impediment.

Mandatory Redemption

The Series 2022 Bonds maturing on July 1, 2042 are also subject to mandatory sinking fund redemption, in part, on July 1 of each of the years and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem the principal amount of Series 2022 Bonds specified for each of the years shown below:

Term Bond Maturing on July 1, 2042

<u>Year</u>	<u>Sinking Fund Installments</u>
2038	\$ 990,000
2039	1,030,000
2040	1,070,000
2041	1,110,000
2042 [†]	1,155,000

[†]Final maturity.

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The Series 2022 Bonds maturing on July 1, 2052 are also subject to mandatory sinking fund redemption, in part, on July 1 of each of the years and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem the principal amount of Series 2022 Bonds specified for each of the years shown below:

Term Bond Maturing on July 1, 2052

<u>Year</u>	<u>Sinking Fund Installments</u>
2043	\$1,205,000
2044	1,250,000
2045	1,300,000
2046	1,355,000
2047	1,405,000
2048	1,465,000
2049	1,520,000
2050	1,580,000
2051	1,645,000
2052 [†]	1,710,000

[†]Final maturity.

DASNY may from time to time direct the Trustee to purchase Series 2022 Bonds with moneys set aside for redemption in the Debt Service Fund, at or below par plus accrued interest to the date of such purchase, and apply any Series 2022 Bonds so purchased as a credit, at 100% of the principal amount thereof, against and in fulfillment of a required Sinking Fund Installment on the Series 2022 Bonds of the same maturity. The Library also may purchase Series 2022 Bonds at or below par and apply any Series 2022 Bonds so purchased as a credit, at 100% of the principal amount thereof, against and in fulfillment of a required Sinking Fund Installment on the Series 2022 Bonds of the same maturity. Series 2022 Bonds purchased with money 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 July 1. Series 2022 Bonds redeemed at the option of DASNY, purchased by DASNY or the Library (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 Resolution will be applied in satisfaction, in whole or in part, of one or more Sinking Fund Installments as DASNY may direct in its discretion. To the extent DASNY's obligation to make Sinking Fund Installments in a particular year is so satisfied, the likelihood of redemption through mandatory Sinking Fund Installments of a Bondholder's Series 2022 Bonds of the maturity entitled to such Sinking Fund Installment will be reduced for such year.

Purchase in Lieu of Optional Redemption

The Series 2022 Bonds maturing on or before July 1, 2030 are not subject to purchase in lieu of optional redemption prior to maturity. The Series 2022 Bonds maturing on or after July 1, 2031 are subject to purchase in lieu of optional redemption prior to maturity on or after July 1, 2030, at the option of the Library with the prior written consent of DASNY, as a whole or in part at any time, at a purchase price of 100% of the principal amount to be purchased (the "Purchase Price") plus accrued interest to the date set for purchase (the "Purchase Date").

Selection of Bonds to be Redeemed or Purchased

In the case of redemptions or purchases in lieu of optional redemption of the Series 2022 Bonds described above under the subheadings "Optional Redemption" or "Purchase in Lieu of Optional Redemption," DASNY will select the maturities of the Series 2022 Bonds to be redeemed or purchased. In the case of redemption of Series 2022 Bonds described above under the subheading "Special Redemption," Series 2022 Bonds will be redeemed to the extent practicable pro rata among the Outstanding Series 2022 Bonds of each maturity, but only in integral multiples of \$5,000 within each maturity. If less than all of the Series 2022 Bonds of a maturity are to be redeemed (pursuant to an optional, special or mandatory redemption), the Series 2022 Bonds of such maturity to be redeemed will be selected 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 given by first-class mail, postage prepaid, not less than 20 days nor more than 45 days prior to the redemption date to the registered owners of any Series 2022 Bonds which are to be redeemed, at their last known addresses appearing on the registration books. The failure of any owner of a Series 2022 Bond to be redeemed to receive notice of redemption thereof will not affect the validity of the proceedings for the redemption of such Series 2022 Bond. Any such notice may contain conditions to DASNY's obligation to redeem the Series 2022 Bonds. See "Appendix D – Summary of Certain Provisions of the Resolution."

DASNY's obligation to optionally redeem a Series 2022 Bond may be conditioned upon the deposit of sufficient money with the Trustee to pay the Redemption Price for all of the Series 2022 Bonds to be redeemed on the redemption date. If sufficient money is available on the redemption date to pay the Redemption Price and if notice has been mailed and the conditions, if any, to such condition have been satisfied or waived by DASNY, then interest on the Series 2022 Bonds of such maturity will cease to accrue from and after redemption date and such Series 2022 Bonds will no longer be considered to be Outstanding under the Resolution.

Notice of Purchase in Lieu of Optional Redemption and Its Effect

Notice of purchase of the Series 2022 Bonds in lieu of optional redemption will be given in the name of the Library to the registered owners of the Series 2022 Bonds to be purchased by first-class mail, postage prepaid, not less than 20 days nor more than 45 days prior to the Purchase Date specified in such notice. The Series 2022 Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. Series 2022 Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. In the event the Series 2022 Bonds are called for purchase in lieu of optional redemption, such purchase shall not operate to extinguish the indebtedness of DASNY evidenced thereby or modify the terms of the Series 2022 Bonds and such Series 2022 Bonds need not be cancelled, but shall remain Outstanding under the Resolution and in such case shall continue to bear interest.

The Library's obligation to purchase a Series 2022 Bond to be purchased or cause it to be purchased may be conditioned upon the availability of sufficient money to pay the Purchase Price for all of the Series 2022 Bonds to be purchased on the Purchase Date. If sufficient money is available on the Purchase Date to pay the Purchase Price of the Series 2022 Bonds to be purchased, the former registered owners of such Series 2022 Bonds will have no claim thereunder or under the Resolution or otherwise for payment of any amount other than the Purchase Price. If sufficient money is not available on the Purchase Date for payment of the Purchase Price, the Series 2022 Bonds tendered or deemed tendered for purchase will continue to be registered in the name of the registered owners on the Purchase Date, who will be entitled to the payment of the principal of and interest on such Series 2022 Bonds in accordance with their respective terms.

In the event that not all of the outstanding Series 2022 Bonds of a maturity are to be purchased, the Series 2022 Bonds of such maturity to be purchased will be selected by lot in the same manner as Series 2022 Bonds of a maturity to be redeemed in part are to be selected.

For a more complete description of the redemption, purchase in lieu of optional redemption and other provisions relating to the Series 2022 Bonds, see "Appendix D - Summary of Certain Provisions of the Resolution."

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2022 Bonds. The Series 2022 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2022 Bond certificate will be issued for each maturity of the Series 2022 Bonds, totaling in the aggregate the principal amount of the Series 2022 Bonds, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales

and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the 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 such 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 the 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 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 of the Series 2022 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant 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 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 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.

DTC may discontinue providing its services as securities depository with respect to the Series 2022 Bonds at any time by giving reasonable notice to DASNY or the Trustee. Under such circumstances, in the event that a

successor securities 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-only transfers through DTC (or a successor securities depository). In that event, the Series 2022 Bond certificates will be printed and delivered to DTC.

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.

Unless otherwise noted, certain of the information contained in the preceding paragraphs of this subsection “Book-Entry Only System” has been extracted from information furnished by DTC. None of DASNY, the Library, the Trustee or the Underwriter make any representation as to the completeness or the accuracy of such information or as the absence of material adverse changes in such information subsequent to the date hereof.

DASNY, THE LIBRARY, THE TRUSTEE AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, OR THE DIRECT OR INDIRECT PARTICIPANTS, WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2022 BONDS (1) PAYMENTS OF PRINCIPAL, PURCHASE PRICE OR REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2022 BONDS, (2) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN SERIES 2022 BONDS, OR (3) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE SERIES 2022 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, OR THE DIRECT OR INDIRECT PARTICIPANTS, WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

NONE OF DASNY, THE LIBRARY, THE TRUSTEE OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, OR THE DIRECT OR INDIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DIRECT OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS. PAYMENTS MADE TO DTC OR ITS NOMINEE SHALL SATISFY DASNY’S OBLIGATION UNDER THE ACT AND THE RESOLUTION TO THE EXTENT OF SUCH PAYMENTS.

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 “PART 11 – TAX MATTERS” herein) mean Cede & Co., as aforesaid, and do not mean the Beneficial Owners of the Series 2022 Bonds.

Principal, Sinking Fund Installment and Interest Requirements for the Series 2022 Bonds

The following table sets forth the amounts required to be paid by the Library during each twelve-month period ending June 30 of the years shown for the payment of interest on the Series 2022 Bonds payable on January 1 of such period and Principal and Sinking Fund Installments, if any, of and interest on the Series 2022 Bonds payable on the succeeding July 1, and the aggregate payments to be made by the Library during each such period with respect to the Series 2022 Bonds.

12 Month Period Ending June 30	Principal and Sinking Fund Installments	Interest Payments	Total Debt Service Obligation
2023	\$ 315,000	\$ 1,686,012	\$ 2,001,012
2024	735,000	1,257,200	1,992,200
2025	770,000	1,227,800	1,997,800
2026	585,000	1,197,000	1,782,000
2027	605,000	1,173,600	1,778,600
2028	635,000	1,143,350	1,778,350
2029	670,000	1,111,600	1,781,600
2030	700,000	1,078,100	1,778,100
2031	735,000	1,043,100	1,778,100
2032	775,000	1,006,350	1,781,350
2033	810,000	967,600	1,777,600
2034	845,000	935,200	1,780,200
2035	880,000	901,400	1,781,400
2036	915,000	866,200	1,781,200
2037	950,000	829,600	1,779,600
2038	990,000	791,600	1,781,600
2039	1,030,000	752,000	1,782,000
2040	1,070,000	710,800	1,780,800
2041	1,110,000	668,000	1,778,000
2042	1,155,000	623,600	1,778,600
2043	1,205,000	577,400	1,782,400
2044	1,250,000	529,200	1,779,200
2045	1,300,000	479,200	1,779,200
2046	1,355,000	427,200	1,782,200
2047	1,405,000	373,000	1,778,000
2048	1,465,000	316,800	1,781,800
2049	1,520,000	258,200	1,778,200
2050	1,580,000	197,400	1,777,400
2051	1,645,000	134,200	1,779,200
2052	1,710,000	68,400	1,778,400

**PART 4 – THE LIBRARY
GENERAL INFORMATION**

Introduction

Oceanside Library (the “Library”) is a not-for-profit corporation duly incorporated and existing under the laws of the State and operating as a free association library chartered by the Board of Regents of the State of New York and located on Long Island in the Town of Hempstead, New York. The Library was originally founded by a private citizens group in 1937. The first trustees of the Library were elected in January 1938. The Library’s first budget was approved by voters of the School District on May 3, 1938. The Library presently serves a local population of approximately 37,000.

The Library’s collection includes over 140,000 volumes of both hardcover and paperwork books, and over 120 subscriptions of periodicals and newspapers. The Library offers over 135,000 titles of popular movies, children’s films, and documentaries on video, informational and language instruction and books on compact disc and tape cassette. In a typical year, the Library sees over 200,000 patrons enter the building, to borrow materials, use the public computers, and attend programs. Public programs and events held at the Library include English as a New Language instruction, citizenship, defensive driving classes, job training and search assistance, programs designed for the special needs community, programs designed to combat social isolation and loneliness, early literacy and kindergarten-readiness programs, museum passes, nutrition and cooking classes, arts and crafts, creative writing and reading classes, author visits, summer reading clubs and many other programs of community interest such as concerts, lectures, book discussions and theatre. Annual attendance at these programs and events regularly exceeds 50,000. The Library also

provides photocopying machines, public access computers and meeting rooms for community use. The Library maintains active and growing computer-based research and support services for its professional staff and the public.

The Library provides library services primarily to the residents of the School District pursuant to a contract it has with the School District. The contract consideration is approved by referendum with the taxpayers, which is only adjusted when an increase in the contract is requested by the Library. Further, certain referenda for Library borrowing must be approved by the taxpayers. The Library has no independent power of taxation.

In consideration for the services it provides, funding for the Library is primarily derived from real property taxes levied exclusively for library purposes on all non-exempt real property located within the School District. Although revenues of the Library are derived from real property taxes levied by the County and collected by the Town on the residents of the School District and certain referenda for Library funding must be approved by the electorate of the School District, the Library and the School District are independent entities, are governed by independent governing boards and have independent powers under State law.

The Library is one of 54 member libraries in the Nassau Library System. The Nassau Library System provides centralized administrative planning and support services county-wide, including an advanced circulation system as well as telecommunication network connections.

The Library has no taxing power and the Series 2022 Bonds will not be a debt of the School District nor will the School District be liable thereon.

Governance and Administration

The Library is governed by an elected Board of Trustees (the “Board”) consisting of seven members, all of whom are elected by the members of the Library Association (the “Library Association”). The Library Association is the governing body of the Library, membership in which is free and open to any resident of the School District who is a registered voter in Nassau County. Board members are elected for staggered five-year terms and can be re-elected to an unlimited number of terms. The Board meets eleven times a year or more frequently as required. The present members of the Board are:

Name	Principal Occupation	Term Expiration
Daniel Faust President	General Supervisor Oceanside Sanitary District #7	April 29, 2025
Janet Pearsall Vice President	Retired Attorney	April 28, 2026
Patricia Roth Treasurer	Director, Human Resources SB 360 Capital Partners	April 30, 2024
Ellen Sullivan Secretary	Retired, Clerk/Typist Oceanside Union Free School District	April 30, 2024
Anita Namdar Trustee	Property Manager 299 Guy Lombardo LLC	April 25, 2023
Richard T. Woods Trustee	Retired Teacher	April 28, 2026
Theresa Finneran Trustee	Principal Secretary to Assistant Superintendent Oceanside Union Free School District	April 26, 2022

Christina (Chris) Marra is the Director of the Library. Ms. Marra is an Oceanside resident, as was her mother and grandmother. She started working at the Oceanside Library in 2005, as a Librarian Trainee. She worked at the Library as a librarian until 2015, when she became the Head of Children's Services, a position she held until September, 2017 when she was named Director of the Library.

Prior to working full time at the Library, Ms. Marra was employed at the Uniondale Public Library for 24 years where she held a number of key positions, including Head of Adult Services and Head of Circulation. Her experience includes part-time library positions at Baldwin Public Library and Jericho Public Library.

Ms. Marra has been a leader in the library world. She served as the President of the Nassau County Library Association twice (2004 and 2009), is the Chair of the NCLA Mentoring Committee, and has previously been an instructor at Nassau County Community College and Chair of the NCLA Continuing Education Committee. In addition, she has served on the NCLA Executive Board in numerous positions including Treasurer and Secretary, and on the NCLA Support Staff Division Board. Ms. Marra is a member of the Nassau County Library Directors and serves on the Reinvention Committee. She frequently lectures and participates in panel discussions on library issues.

Ms. Marra has received a number of awards over the years, including the NCLA Katherine McNeil Scholarship, the New York State Library Association Conference Award, and other notable awards in her field.

As the Director of the Library, Ms. Marra is spearheading significant changes in the Library's operations. The results so far include an increase in total circulation and the continued expansion of the Library's program offerings—particularly for patrons with special needs, young children, and seniors. Under Ms. Marra's leadership, the Library has moved rapidly to become the community's center in times of stress and crisis. Ms. Marra is involved heavily in the Oceanside community, having served as a Girl Scout Troop leader for nine years and participating in numerous community service activities.

Ms. Marra is a Katherine Gibbs School graduate (1989), received her BA in Management and Communications from Adelphi University in 1999, and her MLIS from Long Island University/C.W. Post in 2005. She is also a graduate of the NYLA Leadership and Management Academy (2009). She is a member of the American Library Association, the Public Library Association, the New York Library Association, and the Nassau County Library Association.

Anthony (Tony) Iovino is the Assistant Director of the Library, a position he has held since January, 2015. Initially he was tasked with growing program attendance and marketing. Currently his duties have expanded to include a broad spectrum of management and administrative functions, including finances and project management.

Prior to joining the Library, Mr. Iovino was the head of litigation and managing partner of Bondi Iovino & Fusco, a medium size law firm he co-founded in 1986. He is rated AV by Martindale-Hubbell. He served as an elected Trustee on the Oceanside Union Free School District's Board of Education, and serves, or has served, on numerous non-profit Boards including: the Kiwanis Club of Oceanside, Limb Kind Foundation, International Sports and Music Project Leadership Council, Oceanside Chamber of Commerce, Oceanside Education Foundation, Long Island Ballet Theatre/Huntington Ballet Theater, Northeast Civic and Taxpayers Association of Oceanside, and Parents of Murdered Children of New York State, Inc.

Mr. Iovino regularly lectures on library topics, including presentations to the Network of the National Library of Medicine, the Kentucky Library Association's annual conference, the Long Island Library Resource Council, the Nassau Library System, the Nassau County Library Association and others. He writes an article for the New York Library Association's bimonthly newsletter. He currently serves on the Board of the Nassau County Library Association's PR/Programming Division and has just been appointed to the Membership Committee of the New York Library Association.

Mr. Iovino is a published author and poet, and has received numerous awards for his service to the community including: Humanitarian Award, The Bards Initiative, 2017; Kaiser Award Recipient for lifetime service, 2015, Oceanside Kiwanis Club; Inducted, Massapequa Mustang Youth Football Hall of Fame, 2015; Co-Person of the Year, 2014 Oceanside Kiwanettes; Person of the Year, 2013 Oceanside-Island Park Herald; Citizen of the Year, 2008, Oceanside Chamber of Commerce; Outstanding Service Award, 2013 Nassau-Suffolk School Boards Association; Community Service Award, 2010, Long Island Writers Guild; Make A Difference Award, 2008, Town of Hempstead; among others.

Mr. Iovino received his BA from the University of Richmond (History and Economics) in 1979, his Juris Doctorate from St. John's University in 1982, and his MLIS from the University of Kentucky in 2020, where he was the recipient of the Melody Trosper Award for excellence in scholarship, leadership and service.

Carla Gutman is the Head of Finance and Administrative Operations of the Library. Dr. Gutman has been employed in the Library's Administrative Office since March 2020, starting with the title of Bookkeeper, being elevated to her current position of Head of Finance and Administrative Operations in January 2021. Dr. Gutman's responsibilities include overseeing the daily operations of the Finance Department including payroll, preparing monthly reports for the Library Director and Board of Trustees, preparing budgets, budget forecasts and cash flows, and handling personnel and benefits issues.

Dr. Gutman holds B.B.A. (1985) and M.B.A. (1988) Degrees from Adelphi University, a Professional Diploma in School Business Administration from Long Island University (1998), and a Doctor of Education Degree in Educational Administration from Seton Hall University (2003).

Prior to joining the Library team, Dr. Gutman held positions in public accounting with Ernst & Young and gradually moved into private industry and K-12 and secondary educational settings, where she held various positions, including School Business Administrator, Interim Superintendent of Schools, and Treasurer. In her capacity within the school systems, Dr. Gutman was responsible for all aspects of developing and monitoring budgets and cash flows and was responsible for all financial and reporting aspects of a \$23.6 million capital bond project. In 2009, Dr. Gutman was appointed to the newly-created position Treasurer of Nassau Community College. Prior to that time, all cash flow functions flowed through the Nassau County Finance and Budget Office.

Dr. Gutman is a Certified Public Accountant in the State of New York, as well as a Certified School Business Administrator and a Certified School District Administrator. She was a member of the inaugural class of the New York State's School Business Officials Academy and earned a certificate from New York State Government Finance Officers' Association for completion of the Governmental Finance Institute's professional development coursework.

The Library

The Library is situated in the Town of Hempstead in the southwestern portion of Nassau County. The New York City border, located in Queens County, is approximately 10 miles to the west. The Library's southern boundary is formed by the many bays and channels leading to the Atlantic Ocean. The School District has a population currently estimated at 37,000 and encompasses a land area of approximately 17 square miles. The Library is primarily a suburban residential community comprised of private residences and garden-style apartments, co-ops, and condominiums. Commercial activity in the form of shopping centers and small retail outlets is found along the major thoroughfares. The Library's proximity to the water provides residents with many recreational opportunities and is reflected in the nature of the goods and services provided by many of the retail establishments. There is some light industry located in the District accommodating such firms as Long Island Power Authority and Verizon. There is one nursing home and several medical and professional buildings in addition to Mount Sinai South Nassau Communities Hospital. An old established and active day camp, Camp De Baun is also located in the Library. The Library is serviced by the Sunrise Highway (State Route 27) and Merrick Road (State Route 27A) as well as a system of town and country roads. Commuting facilities include train service provided by the Long Island Railroad. Other transportation facilities available to the Library include the Metropolitan Suburban Bus Authority and other private bus lines. John F. Kennedy International Airport is approximately 10 miles west of the Library. Electrical Service is provided by Public Service Enterprise Group. Telephone service is provided by Verizon and AT&T. Water is provided by Long Island American Water Company. Nassau County provides the Library with sewage collection service. Police protection is furnished by the Nassau County Police Department. The Oceanside Volunteer Fire Department provides the Library with fire protection. Since 1960, Library officials estimate that the approximate population of the School District has grown from 33,000 to 37,000. The population of the Town of Hempstead is approximately 765,000 and the County of Nassau population is approximately 1,355,000 based on statistics from the U.S. Department of Commerce, Bureau of the Census.

Real Property Taxes

The County derives its power to levy an ad valorem real property tax for Library purposes from the State Constitution and from the State Education law. Methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Real property assessment rolls used for the tax for library purposes are prepared by the County. Assessment valuations are determined by the County and the State Board of Equalization and Assessment which is responsible for certain utility and railroad property. In addition, the State Board of

Equalization and Assessment annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aid are used by many localities in the calculation of debt contracting and real property taxing limitations.

Property Tax Cap Law

Chapter 414 of the Laws of 1995 governs the methodology by which a library can cause the levy of a tax, or an increase thereof, on its behalf by a municipality or school district. However, on June 24, 2011, the Property Tax Cap Law, as written in Chapter 97 of the State Laws of 2011, was signed into law. The Property Tax Cap Law establishes a limit on the annual growth of property taxes levied by local governments. It does not specifically mention libraries; however, guidance issued by the office of the State Comptroller and jointly by the State Department of Taxation and Finance and the State Department of State indicates that it is intended to cover libraries. It applies for any fiscal year commencing after January 1, 2012. The power of local governments to levy real property taxes on all taxable real property within their boundaries without limitation as to rate or amount is subject to statutory limitations pursuant to formulae set forth in the Property Tax Cap Law. The Property Tax Cap Law restricts the increase in the amount of the succeeding year's tax levy to no more than the lesser of 2% of the prior year's tax levy or an inflation rate as computed under the Property Tax Cap Law, with limited exceptions.

The Property Tax Cap Law does not explicitly address how libraries affiliated with a municipality or school district which levies property taxes for library purposes (such as the Library) will be treated, i.e., as a part of a school district or local government or as its own local government. However, the guidance noted above indicates that a library is subject to the tax levy limit if it has a separate independent elected board and has the authority to levy a tax or can require a municipality or school district to levy a tax on its behalf. Further, to the extent that the budget of a library is comprised of revenues generated by its own taxing authority or a tax levy of another government that the local government or school district is required to impose on behalf of the library, those tax revenues are believed to fall within the tax levy limit of the library.

This interpretation means that libraries, including free association libraries, like the Library, have their own, separate tax cap, and that the mechanism to exceed the tax cap is the same as for local governments. To exceed the tax cap, the Property Tax Cap Law requires a library board to pass a vote by a 60% margin of trustees, then bring the proposal to a public vote. If the public approves the proposal by a simple majority (more than 50%), only then may the tax cap be exceeded. The Library satisfied these requirements with respect to the tax levy authorized by the Tax Referendum to pay debt service on the Series 2022 Bonds.

The Library's budgets for the fiscal year beginning July 1, 2019 and July 1, 2021 did not exceed the 2% tax cap limit; however, the budget beginning July 1, 2020 did exceed the 2% tax cap limit (it included the initial funding for the Project and was the only Library budget which has pierced the tax cap since the inception of the tax cap). The qualified voters in the Library District approved said budgets by an approval rate of 78% (2019) and 55% (2020), respectively. No vote was needed for the 2021-2022 fiscal year as the Library did not seek an increase in its contract with the School District.

Tax Collection Procedure

In the County, property taxes for the school districts are levied by the County, and are collected by the town tax receivers. Such taxes are due and payable in equal installments on October 1 and April 1, but may be paid without penalty by November 10 and May 10, respectively. The town tax receiver pays to each school district the amounts collected therefore on the first day of each month from October 1 to June 1. The School District then remits payments to the Library. In the case of the Library, the School District then remits these payments to the Library pursuant to an agreement for library services between the Library and the School District. Penalties on unpaid taxes are 1% per month from the date such taxes are due and payable. A 1% discount for prepayment of second half taxes is given if received by November 10. Any such discount is a town charge.

On or before June 1, the town tax receiver files a report of any uncollected school district taxes with the County. The County thereafter on or before June 15 pays to each school district the amount of its uncollected taxes. Thus, each school district should receive its full levy prior to the end of its fiscal year. However, in some recent years, the School District has experienced delays in its receipt of uncollected school district taxes from the County. In such years, the School District received its payments in July and August, the first months of its subsequent fiscal year.

As a result of the COVID-19 outbreak, then Governor Cuomo issued an Executive Order that extended the deadline to pay the second installment of school district property taxes until June 1, 2020, without interest or penalty. Former Governor Cuomo issued a second Executive Order that extended the deadline to pay the first installment of school district property taxes until December 1, 2020, without interest or penalty. These extensions have not resulted in any delays in receipt of taxes for the School District and subsequent payment to the Library.

Historically, the Library has received its contractual payments in full from the School District in twelve equal installments from July to June, pursuant to the aforementioned agreement between the Library and the School District. Any deficiency in tax collection is ultimately the County’s liability and is not passed on to the Library.

Library Budget

Annually, pursuant to the Education Law, the Library’s Board prepares, or causes to be prepared, a budget for the ensuing fiscal year. During November and December, the tentative budget is developed and refined. At the January and February meetings of the Board, the proposed budget is discussed and further refined. The tentative budget is adopted by the Board at its February meeting. If an increase in the previously approved contract consideration is requested, it is submitted to referendum at the annual meeting of the electorate of the School District held in May. Prior to the annual meeting, a public hearing is held by the School District with respect to the proposed referendum.

Residents of the Library who are qualified to vote may participate in the referendum on the proposed budget. If by majority, the budget is approved by the electorate, the Board, by resolution, adopts the budget for the ensuing fiscal year. In the event of a defeat by the electorate of the budget in any year, the Library’s appropriation reverts back to the previous year’s approved budget and tax levy. In such an event, expenses beyond ordinary contingent expenses may later be added to the budget upon subsequent voter approval.

Budget Summaries

	<u>Fiscal Year Ended June 30:</u>	
	<u>2020-2021</u>	<u>2021-2022</u>
Revenues:		
Property Taxes	\$ 6,904,192	\$ 6,904,192
State Aid	10,000	10,000
Other Income	<u>90,000</u>	<u>142,610</u>
 Total Revenues	 \$ <u>7,004,192</u>	 \$ <u>7,056,802</u>
 Expenditures:		
Personnel	\$ 2,565,194	\$ 2,590,065
Benefits	1,311,000	1,351,853
Library Services	576,250	584,765
Administrative Operations	226,705	198,705
Building Maintenance	208,929	215,500
Other	1,800,000	1,800,000
Debt Service	<u>316,114</u>	<u>315,914</u>
 Total Expenditures	 \$ <u>7,004,192</u>	 \$ <u>7,056,802</u>

Source: Adopted Budgets of the Library

Insurance

The Library maintains a comprehensive package of institutional insurance coverage. The policy coverage (both liability limits and policy scope) is periodically evaluated to ensure that appropriate coverages are maintained based upon the replacement value of the physical plant and an analysis of potential liabilities. At the present time, the Library has over \$11.9 million coverage on real and personal property, including valuable papers coverage; \$11 million in liability coverage; \$10.8 million in boiler and machinery coverage; \$6 million in director and officers’ liability coverage; and \$1 million automobile, \$250,000 crime and \$300,000 electronic data processing coverage.

Employees

The Library currently employs 60 individuals, all under the supervision of the Library Director, of whom 15 are full-time and 8 are part-time professionals with American Library Association approved Masters Degrees in Library Science, 10 are full-time clerical staff and 7 are part-time clerical staff. The rest of the staff includes library pages and custodial staff. The Library does not have collective bargaining contracts. The Library has a history of good labor relations with its employees.

Employee Pension System

Certain Library employees are eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York and are members of the New York State Local Employee's Retirement System ("ERS"). The ERS is noncontributory with respect to members hired prior to July 1, 1976. All members of the respective systems who were hired on or after July 1, 1976 and before December 31, 2009, with less than 10 years' full-time service, contribute 3% of their gross annual salaries toward the cost of the retirement programs.

On December 10, 2009, then Governor Paterson signed into law a new Tier 5. The law is effective for new ERS employees hired after January 1, 2010. New ERS employees now contribute 3% of their salaries. There is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, then Governor Cuomo signed into law the new Tier 6 pension program, effective for new ERS employees hired after April 1, 2012. The Tier 6 legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees vest in the system after ten years of employment and are required to make employee contributions throughout employment.

The Library's required contribution for a given fiscal year is based on the value of the pension fund on the prior April 1. The Library is required to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower contribution possible, each year on February 1st.

To help reduce budgetary volatility due to changes in employee contributions, State law permits the Library to amortize a portion of such contributions. The Library has not elected, to date, to amortize such contributions, nor does it expect to do so in the foreseeable future.

The following chart represents the ERS contributions for each of the last five fiscal years.

Fiscal Year	ERS
Ending June 30	Contribution
2017	\$293,887
2018	304,864
2019	295,364
2020	276,863
2021	301,276

The Governmental Accounting Standards Board ("GASB") Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB 68") revised and established new financial reporting requirements for the Library beginning with its fiscal year ended June 30, 2015.

GASB 68 requires the Library to recognize its long-term obligation for pension benefits as a liability and to more comprehensively and comparably measure the annual costs of pension benefits. As of June 30, 2021, the Library's net pension liability was \$5,632.

Other Post-Employment Benefits

The Library provides post-employment healthcare benefits to various categories of former employees. GASB Statement No. 75 ("GASB 75") requires the Library to account for and report its costs associated with post-employment healthcare benefits and other non-pension benefits ("OPEB"). The Library's financial statements are prepared and audited using GASB rather than Financial Accounting Standards Board guidelines of generally accepted accounting principles. 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.

GASB 75 requires that the Library adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers are 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”) is determined for the Library. 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 the Library contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

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

The Library’s total OPEB liability of \$4,353,236 was updated through June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. For 2021, the Library’s recognized cost of health insurance premiums for fourteen (14) retirees was \$135,833. As of July 1, 2020 the Library has 25 active employees covered by the benefit terms. For the year ending June 30, 2021, the Library recognized an OPEB expense of \$406,457.

Should the Library be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the Library’s finances and could force the Library to reduce services, raise taxes or both. At the present time, however, there is no current requirement for the Library to partially fund its actuarial accrued OPEB liability. The Library continues funding the expenditure on a pay-as-you-go basis.

ANNUAL FINANCIAL STATEMENT INFORMATION

The Library’s financial statements for the fiscal year ended June 30, 2021 were audited by Baldessari & Coster LLP Certified Public Accountants, and are included at the end of this Appendix. Financial information of the type that follows is expected to be provided by the Library annually via the filing of the Library’s annual financial statements in compliance with Rule 15c2-12 (as defined herein).

Revenues and Expenditures

The Library receives most of its revenue pursuant to an agreement between the School District and the Library. Real property taxes levied for library purposes are levied by the County and collected by the Town of Hempstead on all non-exempt real property situated within the School District and paid over to the School District. Upon receipt, the School District pays the contractual amount due to the Library.

The Financial statements of the Library report upon two major accounts or funds as follows: (1) the “General Fund” into which the Library’s revenues consisting primarily of tax levies, State aid and interest are deposited and from which the Library’s operating expenses are paid; (2) “the Debt Service Fund” which accounts for the accumulation of reserves for the payment of the Library’s bonds payable.

The revenues and expenses of the Library are determined by yearly operating budgets proposed by the Board of Trustees of the Library and voted upon by the resident of the School District. The Library monitors its revenues and expenses in order to adhere to these operating budgets. The Library does not amortize any of its capital acquisitions against income. Accordingly, in some years it will expend funds for capital items which may result in a deficit. Deficits may also arise from unanticipated and emergency expenses. Finally, budgets are created on good faith estimates of revenues and expenses, which estimates may be incorrect. Historically, the Library’s deficits have not been significant and all such deficits have been made up from funds accumulated in prior years where the revenues exceeded the expenses.

Set forth below is a summary of the statement of revenues and expenses attributable to the General Fund based on the audited financial statements of the Library for each of the fiscal years ending June 30, 2017 through 2021 and should be read in conjunction with the financial statements and related notes set forth in Appendix B to this Official Statement.

**Statement of Revenues, Expenditures and Fund Balances
General Fund**

	Fiscal Year Ended June 30:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues:					
Tax Revenues	\$ 4,408,811	\$ 4,492,352	\$ 4,624,742	\$ 4,750,767	\$ 6,904,192
State Aid and Grants	10,724	37,599	23,836	17,535	10,562
Fines, Fees, and Material Reimbursements	22,653	19,678	18,507	11,195	2,735
Direct Access			1,485		
E-rate Reimbursement	9,252	4,858			5,088
Payments in Lieu of Taxes	6,149	6,521			
Investment Income	7,268	3,445	20,188	41,502	12,032
Sale of Books, Supplies, etc.	3,532	4,896	4,365	3,081	3,679
Gifts and Donations	319	120	402	1,145	203
Total Revenues	<u>4,468,708</u>	<u>4,569,469</u>	<u>4,693,525</u>	<u>4,825,225</u>	<u>6,938,491</u>
Expenditures:					
Salaries and Wages	2,227,484	2,244,423	2,181,541	2,335,440	2,480,767
Employee Benefits	1,104,977	1,171,628	1,180,072	1,219,660	1,303,480
Library Services	495,936	483,393	534,120	466,951	439,118
Administrative Operations	176,216	184,069	212,987	191,576	223,188
Building Operations	190,989	232,995	216,221	178,934	393,964
Capital Outlay	7,272	21,580	28,535	83,488	1,590,983
Debt Service - Principal & Interest	307,812	308,106	303,319	308,081	307,894
Debt Service - Bond & Admin Fees	3,120	3,120	3,120	3,120	1,000
Total Expenditures	<u>4,513,806</u>	<u>4,649,314</u>	<u>4,659,915</u>	<u>4,787,250</u>	<u>6,740,394</u>
Excess (Deficiency) of Revenues Over Expenditures	(45,098)	(79,845)	33,610	37,975	198,097
Other Financing Sources(Uses)	(4,666)	616	(8,226)	8,805	2,086
Excess (Deficiency) of Revenues & Other Financing Sources (Uses) over Expenditures	<u>(49,764)</u>	<u>(79,229)</u>	<u>25,384</u>	<u>46,780</u>	<u>200,183</u>
Fund Balance Beginning of Year	<u>2,993,218</u>	<u>2,943,454</u>	<u>2,790,753</u>	<u>2,816,137</u>	<u>2,862,917</u>
Prior Period Adjustment (GASB 75)		(73,472)			
Fund Balance End of Year	<u>\$ 2,943,454</u>	<u>\$ 2,790,753</u>	<u>\$ 2,816,137</u>	<u>\$ 2,862,917</u>	<u>\$ 3,063,100</u>

Sources: Audited Annual Financial Reports of the Library (2017-2021)

Fund Balances

The table below presents the accumulated liquid funds held in the General Fund (as described below) for each of the fiscal years ending June 30, 2017 through June 30, 2021. The table was prepared from the Library's accounting records, which are maintained on the basis of accounting practices as prescribed by the Uniform System of Accounts for Library Systems mandated by the State of New York.

In accordance with these practices, the Library maintains a General Fund and a Capital Projects Fund. In addition, the Library maintains a General Fixed Asset Group of Accounts, and a Long Term Debt Group of Accounts which are used to record fixed assets and liabilities not recorded in the General or Capital Funds.

Balance Sheet General Fund

	Fiscal Year Ended June 30:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Assets:					
Cash and Cash Equivalents	\$ 2,994,881	\$ 2,879,511	\$ 2,940,418	\$ 3,033,874	\$ 3,287,247
Prepaid Insurance		36,336	5,297	5,686	6,338
Prepaid Rent	17,741	2,471			91,667
Rent Security Deposit		7,200			91,667
Deposit on Property Purchase				40,000	
Total Assets	\$ <u>3,012,622</u>	\$ <u>2,925,518</u>	\$ <u>2,945,715</u>	\$ <u>3,079,560</u>	\$ <u>3,476,919</u>
Liabilities:					
Accounts Payable	\$ 41,344	\$ 30,037	\$ 28,896	\$ 63,303	\$ 252,303
Accrued Payroll	27,824	29,430	28,308	52,143	47,384
Accrued NYS Retirement		75,298	72,374	70,941	83,876
Grant Funds Received in Advance				30,256	30,256
Total Liabilities	<u>69,168</u>	<u>134,765</u>	<u>129,578</u>	<u>216,643</u>	<u>413,819</u>
Fund Balance:					
Nonspendable	\$ 17,741	\$ 46,007	\$ 5,297	\$ 45,686	\$ 189,672
Restricted		14,359			
Assigned	1,416,914	1,248,512	1,233,204	1,143,812	1,098,514
Unassigned	<u>1,508,799</u>	<u>1,481,875</u>	<u>1,577,636</u>	<u>1,673,419</u>	<u>1,774,914</u>
Total Fund Balance	<u>2,943,454</u>	<u>2,790,753</u>	<u>2,816,137</u>	<u>2,862,917</u>	<u>3,063,100</u>
Total Liabilities and Fund Balance	\$ <u>3,012,622</u>	\$ <u>2,925,518</u>	\$ <u>2,945,715</u>	\$ <u>3,079,560</u>	\$ <u>3,476,919</u>

Source: Audited Annual Financial Reports of the Library (2017-2021)

OPERATING DATA

Funding for the operations of the Library is primarily derived from real property taxes levied by the County and collected by the Town on behalf of the Library on all non-exempt real property located within the School District. The following information summarizes the tax base upon which the Library is dependent for funding.

Valuations, Tax Rates, and Levies

A summary of valuations for the past five years for the School District and the Library is provided below:

Summary of Valuations

Tax Year	Assessed Value of	State	
Ending	Taxable	Equalization	Full
June 30:	Real Property	Rate	Valuation
2017	\$16,001,934	0.28%	\$5,714,976,429
2018	15,435,814	0.26%	5,936,851,538
2019	15,413,776	0.24%	6,422,406,667
2020	15,174,214	0.22%	6,897,370,000
2021	11,721,941	0.18%	6,512,189,444

A summary of tax rates for the past five years for the Library is provided below:

Class 1 Tax Rates per \$1,000 of Assessed Valuation

Year	Library Tax Rate
2017	8.83%
2018	8.78%
2019	9.14%
2020	10.96%
2021	13.82%

Source: Adopted Budgets of the Library

Property Tax Revenue

Fiscal Year	General Fund	Real Property	Real Property
Ended	Revenues	Taxes	Taxes as a Percentage
			of Total Revenues
June 30, 2017	\$4,468,708	\$4,408,811	98.66%
June 30, 2018	4,569,469	4,492,352	98.31%
June 30, 2019	4,693,525	4,624,742	98.53%
June 30, 2020	4,825,225	4,750,767	98.46%
June 30, 2021	6,938,491	6,904,192	99.51%
June 30, 2022 (Budget)	7,056,800	6,904,192	97.84%

Source: Audited Financial Statements and the adopted Budgets of the Library.

Selected Listing of Largest Taxable Properties

The following is a listing of the ten largest taxable properties on the 2020-2021 assessment roll:

Largest Taxable Properties

<u>Name</u>	<u>Type</u>	<u>Assessed Value</u>
Keyspan Gas East Corp.	Utility	\$2,717,362
Long Island American Water Co.	Utility	308,777
GL Building	Shopping Center	250,350
Long Beach Road LLC	Real Estate	247,337
Oceanside Cove Owners Corp.	Apartments	137,084
Oceanside Cove II Apt. Corp	Apartments	122,863
Oceanside Plaza Assoc	Apartments	114,260
3600 Long Beach Road LLC	Apartments	91,218
Verizon New York Inc.	Utility	88,448
Great Lincoln LLC	Commercial	77,161
	Total	<u><u>\$4,154,860</u></u>

Source: Nassau County Assessment Rolls

The total assessed value of the largest taxable properties listed above represents 27.38% of the 2020-21 Assessed Valuation for the School District.

Economic and Demographic Information

The following table sets forth population statistics for the School District, Town, County and the State of New York.

Population Trends

<u>Year</u>	<u>Town of Hempstead</u>	<u>Nassau County</u>	<u>New York State</u>
2000	755,924	1,334,544	18,976,457
2010	769,040	1,339,532	1,937,812
2019	766,993	1,356,924	19,453,561

Source: U.S. Census Bureau

Selected Wealth and Income Indicators

Per Capita Money Income

	<u>2000</u>	<u>2010</u>	<u>2019</u>
Town of Hempstead	\$28,153	\$35,433	\$46,460
Nassau County	32,151	39,935	53,405
New York State	23,389	30,011	41,857

Source: U.S. Census Bureau

Median Family Income

	<u>2000</u>	<u>2010</u>	<u>2019</u>
Town of Hempstead	\$77,147	\$101,605	\$129,537
Nassau County	81,246	106,838	140,640
State of New York	51,691	65,897	89,475

Source: U.S. Census Bureau

Unemployment Rate Statistics

Unemployment statistics are not available for the School District as such. The smallest area for which such statistics are available (which includes the School District) is the Town.

<u>Year</u>	<u>Town of Hempstead (%)</u>	<u>Nassau County (%)</u>	<u>New York State (%)</u>
2017	4.2	4.1	4.6
2018	3.7	3.5	4.1
2019	3.4	3.3	3.8
2020	8.9	8.4	10.0
2021	5.1	4.8	7.2

Source: Department of Labor, State of New York.

Litigation

There are no suits pending or, to the knowledge of the officers of the Library and members of the Board, threatened against the Library wherein an unfavorable result would have a material adverse effect on the financial condition of the Library or impair the levy and collection of ad valorem taxes.

PART 5 – PLAN OF FINANCE

The proceeds of the Series 2022 Bonds will be used, together with other available funds, to finance the Project consisting of (i) acquiring, constructing, reconstructing, renovating, equipping or otherwise providing for additions and/or alterations and improvements to the Library’s existing main library building located at 30 Davison Avenue, in the Town of Hempstead, New York, and the site thereof, including but not limited to the original furnishings, equipment, machinery, apparatus and ancillary or related sitework required in connection therewith, more specifically to include the expansion of the existing building by approximately 15,000 square feet to a total of approximately 45,000 square feet; acquisition of adjacent property to provide additional parking; repairs to or replacement of roof, windows, HVAC, lights, bathrooms, parking lots, sidewalks, exterior lighting and elevator; and redesign and renovation of facilities to enhance safety, energy efficiency and programming; (ii) refunding all or a portion of the Refunded Bonds; and (iii) paying costs of issuance and capitalized interest, if any, and funding the debt service reserve fund for the Series 2022 Bonds, if any, at its requirement.

PART 6 – ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are as follows:

Sources of Funds

Principal Amount of Series 2022 Bonds	\$30,715,000.00
Net Original Issue Premium	3,594,049.75
Series 2005 Debt Service/Debt Service Reserve Fund	<u>502,685.78</u>
Total Sources	<u>\$34,811,735.53</u>

Uses of Funds

Deposit to Construction Fund	\$33,173,000.00
Costs of Issuance ¹	329,424.12
Refunding Escrow Deposit	1,129,182.67
Underwriter's Discount	<u>180,128.74</u>
Total Uses	<u>\$34,811,735.53</u>

¹ Includes legal fees, DASNY fee, and other costs related to the issuance of the Series 2022 Bonds.

PART 7 – RISKS TO BONDHOLDERS

Purchase of the Series 2022 Bonds involves a degree of risk. Prospective purchasers of the Series 2022 Bonds should give careful consideration to the matters referred to in the following summary as well as to other information set forth in this Official Statement. The discussion herein of risks to holders of the Series 2022 Bonds is not intended as dispositive, comprehensive or definitive, but rather is intended only to summarize certain matters which could affect payment on the Series 2022 Bonds. Holders of the Series 2022 Bonds should be aware that other potential risks and factors could adversely affect the Library's ability to make payments on the Loan Agreement. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential investment risk.

Economic Risk

The financial and economic condition of the Library as well as the market for the Series 2022 Bonds could be affected by a variety of factors, some of which are beyond the control of the Library. 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 impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Library 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 are a number of general factors that could have a detrimental effect on the ability of the Library to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the School District. Unforeseen developments could also result in substantial increases in Library's expenditures, thus placing strain on the Library's financial condition. These factors may have an effect on the market price of the Series 2022 Bonds.

Amendments, Changes, Modifications, or Termination of the Collection Agreement

Pursuant to the Collection Agreement, the Library directs the Town to collect, or cause to be collected, the real property tax levies made by the School District on behalf of the Library and the Library directs the School District to pay over those real property taxes collected directly to the Trustee. The Collection Agreement provides that the parties may amend, change, modify, alter or terminate the Collection Agreement if each of the parties execute a writing to that effect.

Abolishment of Library or Reduction in Public Funds

Although unlikely, it is possible that a petition may be submitted to the Board of Trustees of the Library, the School District, the Town, or a successor entity, by any party authorized under any relevant law, rule or regulation, to abolish the Library or providing for a reduction in the Public Funds payable to the Library in an amount below that which is necessary to generate funds sufficient to cover the costs of both operations and debt service of the Library.

Enforceability of Remedies

The remedies available to the holders of the Series 2022 Bonds upon an event of default under the Loan Agreement or other documents described herein are in many respects dependent upon judicial actions which are often subject to discretion and delay. Existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, affect the payment rights of Bondholders and the remedies specified by the federal bankruptcy laws, the Loan Agreement and the various documents referred to herein may not be readily available or may be limited. The legal opinions to be delivered concurrently with the delivery of the Series 2022 Bonds will be qualified as to enforceability of the legal instruments by limitations imposed by bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors generally.

Changes to the Internal Revenue Code

Amendments to the Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Series 2022 Bonds. Any such future legislation would have an adverse effect on the market value of the Series 2022 Bonds (See “PART 11 – TAX MATTERS” herein).

Tax-Exempt Status Change

As an entity qualified under Section 501(c)(3) of the Code, the Library is subject to various requirements affecting its operations. Although the Library has covenanted to maintain its status as a Section 501(c)(3) organization, a loss of the Library’s status as a Section 501(c)(3) organization, failure of the Library to comply with certain legal requirements of the Code, or adoption or amendments to the Code applicable to the Library, could cause interest on the Series 2022 Bonds to be included in the gross income of the Series 2022 Bondholders for federal income tax purposes, and such inclusion could be retroactive to the date of issuance of the Series 2022 Bonds. The opinion of Co-Bond Counsel to DASNY and the description of the tax law contained in this Official Statement are based on statutes, judicial decisions, regulations, rulings and other official interpretations of law in existence on the date the Series 2022 Bonds are issued. No assurance can be given that such laws or the interpretations thereof will not change, or that new provisions of law will not be enacted or promulgated at any time while the Series 2022 Bonds are outstanding, in a manner that would adversely affect the value or the tax treatment of ownership of the Series 2022 Bonds. See “PART 11 – TAX MATTERS” herein.

COVID-19

The spread of COVID-19 has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. While the outbreak of COVID-19 might affect revenue streams supporting revenue bond debt, it is not possible to determine or reasonably predict at this time whether there could also be a material impact on local municipal budgets, or state and local resources to meet their obligations supporting same. The degree of any such impact to the Library’s operations and finances, is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact.

No Obligation of State or School District

The Series 2022 Bonds will not be a debt of the State, the County, the Town or the School District nor will the State, the County, the Town or the School District be liable thereon or under the Loan Agreement. The Series 2022 Bonds are special obligations of DASNY payable solely from the sources described in this Official Statement.

No Taxing Power

DASNY is a public benefit corporation of the State. DASNY has no taxing power.

Cybersecurity

The Library, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Library faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. No assurances can be given that such security and operational control measures implemented would be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Library digital networks and systems and the costs of remedying any such damage could be substantial.

Environmental Matters

The Library is subject to federal, state and local environmental and occupational health and safety laws and regulations. As a property owner, the Library may be subject to potential liability resulting from environmental risks. These risks may result in damage to individuals, property, or the environment; may interrupt operations and/or increase their cost; may result in legal liability, damages, injunctions or fines; may result in governmental agency actions; and may not be covered by insurance. While the Library is not aware of any environmental risk that it believes will impact its operations, there can be no assurance that the Library will not encounter such risks in the future, and such risks may result in material adverse consequences to the Library.

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 December 31, 2021, DASNY had approximately \$59.7 billion aggregate principal amount of bonds and notes outstanding.

DASNY also is authorized to make tax-exempt leases, with its Tax-Exempt Leasing Program (TELP). As part of its operating activities, DASNY also administers a wide variety of grants authorized by the State for economic development, education, and community improvement, 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 obligations of DASNY payable solely from payments required to be made by or for the account of the client institution for which the particular special obligations were issued. DASNY has no obligation to pay its special obligations other than from such payments. DASNY has always paid the principal of and interest on all of its obligations on time and in full; however, as a conduit debt issuer,

payments on DASNY's special obligations are solely dependent upon payments made by the DASNY client for which the particular special obligations were issued and the security provisions relating thereto.

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

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

DASNY has a staff of approximately 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.

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

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

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.

JONATHAN H. GARDNER, ESQ., Buffalo.

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

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.

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.

GERARD ROMSKI, ESQ., Mount Kisco.

Gerard Romski 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.

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. From 1995 to 2005, Ms. Lee worked at Moody's Investors Service where she most recently served as Vice President and Senior Credit Officer in the Public Finance Housing Group. She holds a Bachelor 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.

CAROLINE V. GRIFFIN is the Chief of Staff of DASNY. She coordinates policy and operations across all of DASNY's business lines and serves as chief advisor on all DASNY operations. In addition, Ms. Griffin directly manages DASNY's work in communications, marketing, and intergovernmental affairs. She previously served in leadership roles for three New York State governors, managing and overseeing government operations and intergovernmental affairs, as well as serving as chief liaison for the governor's office with federal, state and local elected officials. Ms. Griffin holds a Bachelor of Arts degree in Communications from Boston College.

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, 2021. 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 in the State may properly and legally invest funds in their control. However, enabling legislation or bond resolutions of individual authorities of the State may limit the investment of funds of such 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 Resolution and in the Series 2022 Resolution.

PART 11 – TAX MATTERS

Opinion of Co-Bond Counsel

In the opinion of Hodgson Russ LLP and Golden Holley James LLP, Co-Bond Counsel, under existing law, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and certifications made by DASNY and the Library described below and compliance with the below mentioned covenants, 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 also of the opinion that such interest on the Series 2022 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

Co-Bond Counsel are also of the opinion that interest on the Series 2022 Bonds is exempt from personal income taxes of the State of New York and any political subdivision thereof, including The City of New York and the

City of Yonkers. Co-Bond Counsel express no opinion regarding any other State of New York or local tax consequences arising with respect to the Series 2022 Bonds nor as to the taxability of the Series 2022 Bonds or the income therefrom under the laws of any state other than the State of New York. In giving the opinions stated above, Co-Bond Counsel have relied upon the correctness of the legal conclusions contained in the legal opinion letters of counsel to the Library delivered in connection with this matter.

Certain Ongoing Federal Tax Requirements and Covenants

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2022 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2022 Bonds, use of the facilities financed or refinanced with the proceeds of the Series 2022 Bonds, yield and other restrictions on investments of gross proceeds and other amounts, and the arbitrage rebate requirement that certain earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements with respect to the Series 2022 Bonds could cause interest on the Series 2022 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2022 Bonds, irrespective of the date on which such noncompliance occurs. DASNY has covenanted in the Series 2022 Resolution and the Library has covenanted in the Loan Agreement to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2022 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, DASNY and the Library have made certain representations, certifications and covenants in the Tax Compliance Agreement relating to the Series 2022 Bonds related to the Library. Co-Bond Counsel will not independently verify the accuracy of those representations, certifications and covenants.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain Federal income tax matters with respect to the Series 2022 Bonds under existing statutes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a particular Series 2022 Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2022 Bonds.

Ownership or disposition of, or the accrual or receipt of interest on, the Series 2022 Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, financial institutions, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes. Interest on the Series 2022 Bonds may also be taken into account in computing the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Premium

In general, if an owner acquires a Series 2022 Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Series 2022 Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Series 2022 Bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the authorization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to the period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a tax-exempt Premium Bond may realize a taxable gain upon disposition of the tax-exempt Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating

thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, or sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements will apply to interest paid on tax-exempt as well as taxable obligations, including the Series 2022 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification", unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding", which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2022 Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2022 Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

Other Impacts

Co-Bond Counsel are not rendering any opinion as to any Federal tax matters other than those described under the caption "PART 11 – TAX MATTERS". Prospective investors, particularly those who may be subject to special rules mentioned above, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning or disposing of the Series 2022 Bonds.

Changes in Law and Post Issuance Events

The Code has been continuously subject to legislative modifications, amendments and revisions, and proposals for further changes are regularly submitted by leaders of the legislative and executive branches of the federal government. Future legislative proposals, if enacted into law, clarifications of the Code or court decisions may cause interest on the Series 2022 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners of the Series 2022 Bonds ("Beneficial Owners") from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarifications of the Code or court decisions may also affect the market price for, or marketability of, the Series 2022 Bonds. Prospective purchasers of the Series 2022 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Co-Bond Counsel express no opinion.

The engagement of Co-Bond Counsel with respect to the Series 2022 Bonds ends with the issuance of the Series 2022 Bonds. The Internal Revenue Service has established an active audit program of certain tax-exempt entities and tax-exempt bonds issued by state and local government units. Unless separately engaged, Co-Bond Counsel are not obligated to defend DASNY, the Library or the Beneficial Owners regarding the tax-exempt status of any series or subseries of the Series 2022 Bonds in the event of an audit examination of such series or subseries by the Internal Revenue Service. Under current procedures, parties other than DASNY, the Library and their appointed counsel, including 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 Internal Revenue Service positions, with which DASNY or the Library legitimately disagrees, may not be practicable. Any action of the Internal Revenue Service, including but not limited to selection of a series or subseries 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, such series or subseries of the Series 2022 Bonds, and may cause DASNY, the Library or the Beneficial Owners to incur significant expense.

Co-Bond Counsel have not undertaken to advise in the future whether any events occurring after the date of issuance and delivery of the Series 2022 Bonds may affect the tax status of interest on the Series 2022 Bonds. Co-Bond Counsel express no opinion as to any Federal, state or local tax law consequences with respect to the Series 2022 Bonds, or the interest thereon, if any action is taken with respect to the Series 2022 Bonds or the proceeds thereof upon the advice or approval of other counsel.

Forms of Opinions of Co-Bond Counsel

The forms of the approving opinions of Co-Bond Counsel relating to the Series 2022 Bonds are attached hereto as Appendix F. See “Forms of Approving Opinions of Co-Bond Counsel” in APPENDIX F.

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. The 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 Hodgson Russ LLP, Albany, New York, and Golden Holley James LLP, New York, New York, Co-Bond Counsel, whose approving opinions will be delivered with the Series 2022 Bonds. The proposed form of each such opinion is set forth in Appendix E hereto. Certain legal matters will be passed upon for the Underwriter by its counsel, Bond, Schoeneck & King, PLLC, Syracuse, New York. Certain legal matters will be passed upon for the Library by its special counsel, Hawkins Delafield & Wood LLP, New York, New York and its General Counsel, Mary Jane McGrath, Esq.

PART 15 – UNDERWRITING

Roosevelt & Cross Incorporated (the “Underwriter”) has agreed, subject to certain conditions, to purchase the Series 2022 Bonds from DASNY at an aggregate purchase price of \$34,128,921.01 (which represents the par amount of the Series 2022 Bonds, less the Underwriter’s discount of \$180,128.74, plus premium of \$3,594,049.75) and to make a public offering of Series 2022 Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement. The Underwriter’s obligations are subject to certain conditions precedent, and, if these conditions are met, the Underwriter will be obligated to purchase all such Series 2022 Bonds if any are purchased.

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

PART 16 – VERIFICATION OF MATHEMATICAL COMPUTATIONS

Causey Demgen & Moore P.C. (the “Verification Agent”) will deliver to DASNY its report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by DASNY and its representatives. Included in the scope of its examination will be a verification of the mathematical accuracy of the mathematical computations of the adequacy of the funds deposited with the trustee under the Resolution to pay the redemption price of and interest coming due on the Refunded Bonds on the redemption date, as described in “PART 5 – THE PLAN OF FINANCE.” The Verification Agent will express no opinion on the reasonableness of the assumptions provided to them, the likelihood that the principal of and

interest on the Series 2022 Bonds will be paid as described in the schedules provided to them, or the exclusions of the interest on the Series 2022 Bonds from gross income for federal income tax purposes.

PART 17 – CONTINUING DISCLOSURE

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

The Library has made similar undertakings in the past (the “Prior Continuing Disclosure Undertakings”) in connection with other series of bonds previously issued for the benefit of the Library.

The Library’s operating data for the fiscal year ended June 30, 2021 was filed 219 days late. A Failure to File notice was posted on EMMA on October 28, 2021.

The Library’s operating data for the fiscal year ended June 30, 2020 was filed 280 days late. A Failure to File notice was posted on EMMA on October 28, 2020.

The Library’s operating data and audited financial statements for the fiscal year ended June 30, 2017 were filed two (2) days late.

The Library has adopted procedures and engaged a dissemination agent to assist with compliance with its undertaking for the Series 2022 Bonds.

PART 18 – RATING

Moody’s Investors Service (“Moody’s”) has assigned a rating of “Aa2” to the Series 2022 Bonds. Such rating reflects only the views of such rating agency and any desired explanation of the significance of such rating or any outlooks or other statements with respect thereto should be obtained from the rating agency at the following addresses: 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 the rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Series 2022 Bonds.

PART 19 – MISCELLANEOUS

References in this Official Statement to the Act, the Resolution, the Series 2022 Resolution, the Collection Agreement, and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2022 Resolution, the Collection Agreement, and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2022 Resolution, the Collection Agreement, and the Loan Agreement are on file with DASNY and the Trustee.

The agreements of DASNY with Holders of the Series 2022 Bonds are fully set forth in the Resolution and the Series 2022 Resolution. 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 regarding DTC and DTC’s book-entry only system has been furnished by DTC. DASNY believes that this information is reliable, but makes no representations or warranties whatsoever to the accuracy or completeness of this information.

“Appendix A – Definitions,” “Appendix C – Summary of Certain Provisions of the Loan Agreement,” “Appendix D – Summary of Certain Provisions of the Resolution,” and “Appendix E – Form of Approving Opinions of Co-Bond Counsel” have been prepared by Hodgson Russ LLP, Albany, New York, and Golden Holley James LLP, Albany, New York, Co-Bond Counsel.

“Appendix B –Financial Statements of the Oceanside Library and Independent Auditors’ Report” contains certain audited financial statements of the Library for the year ended June 30, 2021 and the reports of the Library’s independent auditors, Baldessari & Coster LLP, on such financial statements.

The information regarding the Library, the Project, the Tax Referendum, and the purpose of the issue was supplied by the Library. DASNY believes that this information is reliable, but DASNY makes no representations or warranties whatsoever as to the accuracy or completeness of this information.

The Library has reviewed the parts of this Official Statement under the headings “PART 1 – INTRODUCTION – Purpose of the Issue” and “– The Library,” “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS – Authorization of Project, Payment and Tax Levy,” “PART 3 –THE SERIES 2022 BONDS – Principal, Sinking Fund Installment and Interest Requirements for the Series 2022 Bonds”, “PART 4 – THE LIBRARY,” “PART 5 – PLAN OF FINANCE,” “PART 6 – ESTIMATED SOURCES AND USES OF FUNDS,” and “Appendix B – Financial Statements of Oceanside Library and Independent Auditors’ Report.” The Library shall certify as of the dates of sale and delivery of the Series 2022 Bonds that such parts do not contain any untrue statement of a material fact and do not omit any material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading.

The Library has agreed to indemnify DASNY, the Underwriter 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.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

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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

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CERTAIN DEFINITIONS

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DEFINITIONS
CERTAIN DEFINITIONS

The following are definitions of certain of the terms defined in the Resolution, the Series Resolution, or the Loan Agreements 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 of New York, as amended.

Arbitrage Rebate Fund means the fund so designated, created and established by a Series Resolution pursuant to the Resolution.

Authorized Officer means in the case of the Issuer, Institution or Trustee, as the case may be, when used with reference to any act or document referenced under the Resolution, means 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.

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

Bond Counsel means Hodgson Russ 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 a Series Resolution or a Certificate of Determination with respect to a Series of Bonds, a period of twelve (12) consecutive months beginning July 1 in any calendar year and ending on June 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 of a Series, means the registered owner of any Bond or Bonds of any Series.

Book Entry Bond means a Bond of a Series 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.

Collateral Security means a security interest in or pledge or any personal property, tangible or intangible, or mortgage on any real property or interest therein, given or made by the Institution or other party to secure the Institution's obligations under the Loan Agreement.

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

Cost or Costs of Issuance means the items of expense incurred in connection with the authorization, sale and issuance of the 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 when used in relation to a 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 equipment or machinery, (vi) all other costs which the Institution 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 Institution 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 Institution), (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 a Loan 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 Institution has entered into a Hedge Agreement.

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 Issuer or 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:

- (a) 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;
- (b) an insurance company or association chartered or organized under the laws of any state of the United States of America;
- (c) the Government National Mortgage Association or any successor thereto;
- (d) the Federal National Mortgage Association or any successor thereto; or
- (e) any other federal agency or instrumentality approved by the Issuer or set forth in a Series Resolution authorizing Series 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, the 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 (i) is not subject to redemption prior to maturity other than at the option of the holder thereof or as to which irrevocable instructions have been given to the trustee of such Exempt Obligation by the obligor thereof to give due notice of redemption and to call such Exempt Obligation for redemption on the date or dates specified in such instructions and such Exempt Obligation is not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (ii) is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash 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 (i) above, (iii) as to which the principal of and interest on the direct obligations of the United States of America which have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay the principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, and (iv) 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 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.

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 Institution.

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 Institution 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.

Institution means Oceanside Library, a not-for-profit corporation duly organized and existing under the laws of the State or any successor thereto.

Intercreditor Agreement means an agreement by and among, *inter alia*, the Issuer, the Trustee, providers of Credit Facilities, if any, and any other applicable lenders, as creditors of the Institution, with respect to (i) the relative priorities of the liens upon the Shared Collateral, (ii) limitations or conditions upon their respective rights to enforce, foreclose or realize upon such liens, and (iii) the application of any money realized from the enforcement, foreclosure or other realization upon such liens.

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.

Loan Agreement means, when used in connection with a Series of Bonds or the funds and accounts established in connection with a Series of Bonds, the Loan Agreement by and between the Issuer and the Institution entered into in connection with the issuance of such Series of Bonds, as the same from time to time shall have been amended, supplemented or otherwise modified as permitted by the Resolution and by such Loan Agreement.

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.

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.

Opinion of Bond Counsel means an opinion of Bond Counsel to the effect that the action proposed to be taken will not cause interest on the Bonds to which such action relates to be includable in the gross income of the owners of such Bonds for purposes of federal income taxation and that such action is authorized or permitted by the Resolution and by the applicable Series Resolution and Certificate of Determination.

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 of a Series, means, as of a particular date, all Bonds of such Series authenticated and delivered under the Resolution and under a 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.

Parity Indebtedness means any indebtedness for borrower money issued, incurred, assumed or guaranteed by the Institution that is secured by Collateral Security that, pursuant to an Intercreditor Agreement or otherwise, is of equal priority with the lien of such Collateral Security securing the Institution's obligations under one or more Loan Agreements.

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 Institution 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 Institution.

Project means the project referenced in a Loan 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 of a Series;

(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 thereto 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.

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 Oceanside Library Revenue Bond Resolution, adopted by the Issuer on February 2, 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.

Restricted Gift means any gift, grant or bequest of money or other property to or for the benefit of the Institution, the use of which has been restricted by the donor or the grantor to paying any cost or expense that constitutes a Cost of the Project.

Revenues means, when used in connection with the Bonds of any particular Series:

(i) all payments received or receivable by the Issuer that pursuant to the Loan Agreement entered into in connection with such Series of Bonds are required to be paid to the Trustee, other than payments to the Trustee for any of the following: (A) the administrative costs and expenses or fees of the Trustee, (B) deposit to the Arbitrage Rebate Fund, or (C) deposit to any fund or account established by or pursuant to such Series Resolution for the

payment of the purchase price of Option Bonds tendered or deemed to have been tendered for purchase, and (D) deposit to any fund or account established by or pursuant to such Series Resolution for repayment of advances made by a provider of a Credit Facility or a Liquidity Facility; and

(ii) all amounts received as a consequence of the enforcement of a Loan Agreement, including but not limited to amounts derived from the foreclosure or sale of or other realization upon any Collateral Security.

Serial Bond means any Bond 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 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 one or more Series of Bonds adopted by the Issuer pursuant to the Resolution.

Shared Collateral means the lien on any Collateral Security securing the Institution's obligations under a Loan Agreement that, in accordance with an Intercreditor Agreement or otherwise, is of equal priority with the lien on such Collateral Security that secures the Institution's obligations under one or more other Loan Agreements or on Parity Indebtedness.

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 July 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 July 1, but does not include any amount payable by the Issuer by reason only of the maturity of a Bond, and said future July 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 Certificate means the certificate of the Issuer and the Institution, including the appendices, schedules and exhibits thereto, executed in connection with the issuance of Tax-Exempt Bonds in which the Issuer and the Institution make representations and agreements as to arbitrage and compliance with the provisions of Sections 141 through 150, inclusive, of the Internal Revenue Code of 1986, or any similar certificate, agreement or other instrument made, executed and delivered in lieu of said certificate, in each case as the same may be amended or supplemented.

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 a Series Resolution or a Certificate of Determination and payable from Sinking Fund Installments.

Trustee means the bank or trust company appointed as Trustee and paying agent for the Bonds pursuant to the Resolution 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 the Loan Agreements, pursuant to the Resolution, (b) be held harmless and indemnified pursuant to the Loan Agreements, (c) receive any funds for its own use, whether as administration fees, indemnification, or otherwise under the Loan Agreements, (d) receive notices, Favorable Opinions of Bond Counsel and other documents as required under the Loan Agreements to be delivered to the Issuer; (e) require the Institution to take actions necessary to comply with the Loan Agreements; and (f) enforce any of the foregoing pursuant to the Loan Agreements.

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.

**FINANCIAL STATEMENTS OF
OCEANSIDE LIBRARY AND INDEPENDENT AUDITORS' REPORT**

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**OCEANSIDE LIBRARY
FINANCIAL REPORT
WITH
ADDITIONAL INFORMATION
JUNE 30, 2021**

OCEANSIDE LIBRARY

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Oceanside Library
30 Davison Avenue
Oceanside, New York 11572

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Oceanside Library as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

INDEPENDENT AUDITOR'S REPORT
(Continued)

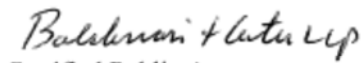
Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Oceanside Library, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of proportionate share of the net pension liability, the schedule of Library pension contributions and the schedule of changes in the Library's total OPEB liability and related ratios on pages 5 through 9 and 33 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Certified Public Accountants
Stewart Manor, New York
September 28, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Using This Annual Report

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include information that presents two different views of the Library:

- The first three columns of these financial statements include information on the Library's funds under the modified accrual method. These *Fund Financial Statements* focus on current financial resources and provide a more detailed view about the accountability of the Library's sources and uses of funds.

The adjustment column of the financial statements represents adjustments necessary to convert the fund financial statements to the government-wide financial statements under the full-accrual method.

- The *government-wide financial statement* columns provide both long-term and short-term information about the Library's overall financial status. The statement of net position and the statement of activities provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances. These statements tell how these services were financed in the short term as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Condensed Financial Information:

The table below compares key financial information in a condensed format between the current year and the prior year, in thousands of dollars:

	June 30, 2021	June 30, 2020	Increase (Decrease)
Assets:			
Current assets	\$ 4,080	\$ 3,683	\$ 397
Capital assets	4,550	3,128	1,422
Total Assets	<u>8,630</u>	<u>6,811</u>	<u>1,819</u>
Deferred Outflows of Resources	<u>1,969</u>	<u>1,271</u>	<u>698</u>
Liabilities:			
Long-term debt	5,804	7,147	(1,343)
Other liabilities	442	251	191
Total Liabilities	<u>6,246</u>	<u>7,398</u>	<u>(1,152)</u>
Deferred Inflows of Resources	<u>2,318</u>	<u>385</u>	<u>1,933</u>
Net Position:			
Net investment in capital assets	3,180	1,512	1,668
Restricted for debt service	603	604	(1)
Unrestricted	<u>(1,748)</u>	<u>(1,817)</u>	<u>69</u>
Total Net Position	<u>\$ 2,035</u>	<u>\$ 299</u>	<u>\$ 1,736</u>
Revenue:			
Tax revenues	\$ 6,904	\$ 4,751	\$ 2,153
State aid and grants	11	17	(6)
Other revenue	24	65	(41)
Total Revenue	6,939	4,833	2,106
Expenses - Library Services	<u>5,203</u>	<u>5,205</u>	<u>(2)</u>
Change in net position	1,736	(372)	2,108
Net position- beginning of year	<u>299</u>	<u>671</u>	<u>(372)</u>
Net Position - End of Year	<u>\$ 2,035</u>	<u>\$ 299</u>	<u>\$ 1,736</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

The Library as A Whole

- The Library's net position increased by \$1,735,531 this year. The primary reason for this increase is detailed within the Statement of Activities on page twelve.
- The Library's primary source of revenue is from property taxes, which represents 99 percent of total revenue. In the prior year, property taxes also represented 98 percent of total revenue.
- Salaries and employee benefits continue to be a significant expense of the Library, representing 75 percent of the Library's total expenses (as per the Statement of Activities). In the prior year, salaries and employee benefits represented 79 percent of total expenses.

The Library Funds:

Our analyses of the Library's funds are included in the first three columns of pages ten through twelve on the respective statements. The fund columns provide detailed information about the most significant funds – not the Library as a whole. The Library Board has the ability to create separate funds to help manage money for specific purposes and to maintain accountability for certain activities. Currently, the Library's funds consist of the General Fund and the Debt Service Fund.

The fund balance of the General Fund increased during the year from \$2,862,917 to \$3,063,100. The fund balance of the Debt Service Fund decreased from \$604,300 to \$602,566. Statements detailing the revenues and expenditures for both of these funds are included in this report.

Budgetary Highlights:

The following are explanations for the significant variations between the Library's final budget and the actual results of the General Fund:

- In total, the unfavorable budget variance for Library revenues was \$65,701. The Library attributes this to the following: 1) Lower than expected interest rates, 2) the Board eliminated late fines, 3) the pandemic induced building closure decreased other library charges as well as program fees, and 4) during the pandemic the Library did not solicit charitable donations.
- In total, the salaries and wages budget section was underspent by \$84,427 or 3.29%. It was difficult to budget on an individual salary line basis because of the pandemic induced building closure, staff transitioning in and out of employment with the Library, and the use of part-time employees. For example, due to the building being closed on the weekends, there was less opportunity for professionals to be paid overtime and fewer hours available for the pages. However, the Custodial staff worked additional hours cleaning and monitoring COVID-19 safety protocols.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Budgetary Highlights: (Continued)

- The New York State retirement budget line was overspent by \$29,211. This was the result of projecting an amount based on information provided by the New York State Retirement System approximately a year in advance of the billing. The actual amount billed was more than the original projection.
- The budget line for workers' compensation insurance was underspent by \$10,027. The Library attributes this savings to a change in insurance providers.
- The library services budget section was underspent by \$137,132. This favorable variance was primarily attributable to the COVID-19 related building closure and the pace of the Library's reopening. During this time, demand for materials declined and the reduced operating hours made it difficult to order and receive books and other physical items at the Library's traditional pace.
- The budget line for office and library supplies was overspent by \$5,542. The Library attributes this to spending more on COVID-19 related personal safety items, sanitizer, signage, etc. than anticipated.
- The budget line for printing and postage was underspent by \$34,314. Due to the pandemic, the Library did not mail its newsletters to the community, instead they were distributed electronically.
- The budget line for professional fees/contracts was overspent by \$33,948. The Library attributes this to requiring more legal services in order to navigate through the pandemic.
- The budget line for professional dues/development was underspent by \$13,458. Due to the pandemic, employees did not attend meeting and conferences to the extent anticipated.
- The unfavorable variance in the budget line for rent, and the favorable variance in the capital outlay section are directly related. The Library budgeted for the rent of the temporary space that it will be relocating to during the renovation of the existing Library building as a capital expenditure. However, for financial reporting purposes, these expenditures are required to be reflected within the building operations budget section.
- The budget line for repair to building equipment and grounds was underspent by \$9,683. Due to the pandemic related building closure, fewer repairs were required than anticipated.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Capital Assets:

During the fiscal year, the Library purchased \$1,590,983 of fixed assets (capital outlay). Expenditures were primarily related to the purchase of two lots of real estate as well as professional fees and planning costs related to the Vision 2020 construction project.

Debt Administration:

Long term debt consisted of bonds payable, the debt that the Library had to its employees for unused sick, vacation and compensatory time (compensated absences), its net pension liability, and its obligation for other post-employment benefits. During the fiscal year ending June 30, 2021, the Library made its annual principal payment on its bond payable in the amount of \$245,000. This reduced the bonds payable from \$1,615,000 at June 30, 2020 to \$1,370,000 at June 30, 2021. Interest, which is paid two times per year, totaled \$62,894. The liability for compensated absences at June 30, 2021 was \$74,885. This represents a decrease of \$89,025 from the previous year. The net pension liability decreased from \$1,357,774 to \$5,632 during the fiscal year. The obligation for other post-employment benefits at June 30, 2021 was \$4,353,236. This represents an increase of \$342,560 from the previous year.

Currently Known Conditions:

The anticipated tax revenues for the 2021-2022 fiscal year will be \$6,904,192. This is the same tax levy as the 2020-2021 fiscal year budget.

OCEANSIDE LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>	<u>Adjustments (Note 14)</u>	<u>Statement of Net Position</u>
Assets:					
Cash and cash equivalents					
Checking	\$ 3,286,547	\$	\$ 3,286,547	\$	\$ 3,286,547
Petty cash	700		700		700
Total cash and cash equivalents	<u>3,287,247</u>	<u>0</u>	<u>3,287,247</u>	<u>0</u>	<u>3,287,247</u>
Prepaid insurance	6,338		6,338		6,338
Prepaid rent	91,667		91,667		91,667
Rent security deposit	91,667		91,667		91,667
Restricted cash and investments (note 3)		602,566	602,566		602,566
Capital assets, net of depreciation (note 5)				4,550,395	4,550,395
Total Assets	<u>3,476,919</u>	<u>602,566</u>	<u>4,079,485</u>	<u>4,550,395</u>	<u>8,629,880</u>
Deferred Outflows Of Resources:					
Deferred outflows on OPEB				514,609	514,609
Deferred outflows on pension				1,454,732	1,454,732
Total Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,969,341</u>	<u>1,969,341</u>
Total Assets And Deferred Outflows Of Resources	<u>\$ 3,476,919</u>	<u>\$ 602,566</u>	<u>\$ 4,079,485</u>	<u>\$ 6,519,736</u>	<u>\$ 10,599,221</u>

The accompanying notes are an integral part of the financial statements.

**OCEANSIDE LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2021**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>	<u>Adjustments (Note 14)</u>	<u>Statement of Net Position</u>
Liabilities:					
Accounts payable	\$ 252,303	\$	\$ 252,303	\$	\$ 252,303
Accrued payroll	47,384		47,384		47,384
Accrued NYS retirement	83,876		83,876		83,876
Accrued interest on bonds payable				28,997	28,997
Grant funds received in advance	30,256		30,256		30,256
Non-current liabilities:					
Compensated absences payable				74,885	74,885
Obligation for other post-employment benefits				4,353,236	4,353,236
Net pension liability				5,632	5,632
Bonds payable, within one year				255,000	255,000
Bonds payable, due after one year				1,115,000	1,115,000
Total Liabilities	<u>413,819</u>	<u>0</u>	<u>413,819</u>	<u>5,832,750</u>	<u>6,246,569</u>
Deferred Inflows of Resources:					
Deferred inflows on OPEB				667,815	667,815
Deferred inflows on pension				1,649,909	1,649,909
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,317,724</u>	<u>2,317,724</u>
Fund Balance/Net Position:					
Nonspendable (deposit & prepaid amounts)	189,672		189,672	(189,672)	
Restricted for debt service		602,566	602,566	(602,566)	
Assigned for specific purposes (note 10)	1,098,514		1,098,514	(1,098,514)	
Unassigned	1,774,914		1,774,914	(1,774,914)	
Total Fund Balance	<u>3,063,100</u>	<u>602,566</u>	<u>3,665,666</u>	<u>(3,665,666)</u>	
Total Liabilities, Deferred Inflows Of Resources And Fund Balance	<u>\$ 3,476,919</u>	<u>\$ 602,566</u>	<u>\$ 4,079,485</u>		
Net Position:					
Net investment in capital assets				3,180,395	3,180,395
Restricted for debt service				602,566	602,566
Unrestricted				(1,748,033)	(1,748,033)
Total Net Position				<u>\$ 2,034,928</u>	<u>\$ 2,034,928</u>

The accompanying notes are an integral part of the financial statements.

OCEANSIDE LIBRARY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Debt Service Fund	Total	Adjustments (Note 14)	Statement of Activities
Revenues:					
Tax revenues	\$ 6,904,192	\$	\$ 6,904,192	\$	\$ 6,904,192
State aid and grants	10,562		10,562		10,562
Fines, fees and material reimbursements	2,735		2,735		2,735
Investment income	12,032	352	12,384		12,384
E-rate reimbursement	5,088		5,088		5,088
Sale of books, supplies, etc.	3,679		3,679		3,679
Gifts and donations	203		203		203
Total Revenues	<u>6,938,491</u>	<u>352</u>	<u>6,938,843</u>	<u>0</u>	<u>6,938,843</u>
Expenditures/Expenses For Library Services:					
Salaries and wages	2,480,767		2,480,767	(82,698)	2,398,069
Employee benefits	1,303,480		1,303,480	218,395	1,521,875
Library services	439,118		439,118		439,118
Administrative operations	223,188		223,188		223,188
Building operations	393,964		393,964		393,964
Capital outlay	1,590,983		1,590,983	(1,590,983)	
Depreciation				168,104	168,104
Debt service:					
Principal	245,000		245,000	(245,000)	
Interest	62,894		62,894	(4,900)	57,994
Bond and administrative fees	1,000		1,000		1,000
Total Expenditures/Expenses	<u>6,740,394</u>	<u>0</u>	<u>6,740,394</u>	<u>(1,537,082)</u>	<u>5,203,312</u>
Excess (Deficiency) Of Revenues Over Expenditures	198,097	352	198,449	1,537,082	
Other Financing Sources/Uses:					
Transfers- internal activities	2,086	(2,086)	0		
Excess (Deficiency) Of Revenues And Transfers In Over Expenditures	200,183	(1,734)	198,449	(198,449)	
Change In Net Position				1,735,531	1,735,531
Fund balance/net position- beginning of year	2,862,917	604,300	3,467,217	(3,167,820)	299,397
Fund Balance/Net Position- End Of The Year	<u>\$ 3,063,100</u>	<u>\$ 602,566</u>	<u>\$ 3,665,666</u>	<u>\$ (1,630,738)</u>	<u>\$ 2,034,928</u>

The accompanying notes are an integral part of the financial statements.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of Oceanside Library conform to accounting principles generally accepted in the United States of America as applicable to governmental units. Accordingly, in June 1999, the Governmental Accounting Standards Board issued Statement No. 34, *Basic Financial Statements – and Managements Discussion and Analysis – for State and Local Governments*. Some of the significant changes in the statement include the following:

- A management’s Discussion and Analysis section providing an analysis of the Library’s overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Library’s activities.
- A change in the fund financial statements to focus on the major funds.

The following is a summary of the significant accounting policies:

- A. Reporting Entity:** The Oceanside Library coordinates the raising of its real estate tax revenues with the Oceanside Union Free School District. The Board of Trustees is responsible for the approval of the annual budget and oversight of the Library management’s control and disbursement of funds and maintenance of assets. The Library’s management is solely responsible for day-to-day operations.
- B. Management Focus, Basis of Accounting and Financial Statement Presentation:** The Library’s basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements (reporting the Library’s major funds).

Government-Wide Financial Statements: The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The effect of interfund governmental activity has been eliminated from the government-wide financial statements.

The Statement of Net Position includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library’s net position is reported in three parts- net investment in capital assets; restricted net position; and unrestricted net position.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: Summary of Significant Accounting Policies (Continued)

**B. Management Focus, Basis of Accounting and Financial Statement Presentation:
(Continued)**

Fund Financial Statements: Governmental fund financial statements are reported using the modified accrual basis of accounting prescribed by the Governmental Accounting Standards Board and the State of New York's Department of Audit and Control, Division of Municipal Affairs. Under this method, revenues are recognized in the period in which they become both measurable and available. The Library considers all revenues reported in the governmental funds to be available if the revenues are collected within a reasonable period of time after fiscal year end, except for real property taxes, which are considered to be available if they are collected within sixty days after the end of the fiscal year. Fees and other income items other than interest income are recorded when received in cash. Expenditures are recognized in the period in which the liability is incurred. However, debt service expenditures, if applicable, are recorded only when a payment is due.

The Library reports on the following funds:

General Fund: This fund is established to account for resources devoted to the general services that the Library performs for its taxpayers. General tax revenues and other sources of revenues used to finance the fundamental operation of the Library are included in this fund.

Debt Service Fund: This fund is used to account for the accumulation of resources for the payment of the Library's bonds payable.

- C. Budgetary Accounting:** Formal budgetary accounting is employed as a management control of the general fund. Expenditures are compared to actual results in the report.
- D. Interfund Transactions:** The operations of the Library include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The Library may loan resources between funds for cash flow purposes. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include transfers to provide financing or other services.
- E. Cash and Cash equivalents:** The Library has defined cash and cash equivalents to include demand deposits, and short-term investments with a maturity of three months or less.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: Summary of Significant Accounting Policies (Continued)

- F. Fund Balance Classifications:** The Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* that defines the different types of fund balances that a governmental entity must use for financial reporting purposes. They are as follows:
- Nonspendable:** This includes amounts that cannot be spent because they are either not in spendable form (i.e., inventories, prepaid expenses, etc.) or they are legally or contractually required to be maintained intact.
- Restricted:** This includes amounts with constraints placed on the use of resources. These constraints can be externally imposed by creditors, grantors, contributors, or imposed by laws and regulations.
- Committed:** This includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the Library's Board. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- Assigned:** This includes amounts that are constrained by the Library's intent to be used for specific purposes but are neither restricted nor committed. The Library Board is not required to impose or remove the constraint. Assignments of fund balance cannot be made if it would result in a negative unassigned fund balance.
- Unassigned:** This includes the residual classification for the Library's general fund. This classification represents fund balance that has not been assigned to other funds, assigned for specific purposes, restricted, or committed.
- G. Order of Use of Restricted/Unrestricted Net Position and Fund Balance:** When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Library's policy is to apply restricted net position first. Expenditures incurred from unrestricted resources are applied to committed fund balance as determined by the Board, then to assigned fund balance, and then to the unassigned fund balance.
- H. Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: Summary of Significant Accounting Policies (Continued)

- I. Investments:** The Library's investment policies are governed by State statutes and its own written investment policy. Permissible investments for the Library include special time deposit accounts, certificates of deposit and obligations of the United States of America.
- J. Capital Assets:** Capital assets are defined by the Library as assets with an initial cost of \$1,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Library books and materials are not capitalized. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	39 years
Furniture and fixtures	7 to 20 years
Equipment	5 years

NOTE 2: Concentration of Credit Risk

The Library maintains its cash balances at several banks. At year end, the Library's carrying amount of deposits was \$3,286,547 (excludes petty cash and restricted cash) and the bank balance was \$3,331,994. Of the bank balance, \$500,000 was covered by federal depository insurance. The remaining balance of \$2,831,994 was covered by collateral held by the Library's agent.

NOTE 3: Restricted Cash and Investments

In order to finance its construction project, the Library issued tax exempt bonds (see note 7). As part of the agreement with the Dormitory Authority of New York State (DASNY) the Library is required to maintain cash reserves for debt service in an account at BNY Mellon. Expenditures from these funds can only be made by the trustee with the approval of the Dormitory Authority.

These funds are primarily invested in cash and short-term Treasury obligations. Fair values for investments are determined by reference to quoted market prices for similar investments, yield curves, and other relevant information.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3: Restricted Cash and Investments (Continued)

There were no changes in valuation techniques in the year ended June 30, 2021. The Library recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels for the year ended June 30, 2021.

Fair value measurements for investments reported at fair value on a recurring basis at June 30, 2021 were determined based on:

	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Market Value	Total Cost
Restricted Cash:				
Cash held at BNY Mellon	\$ 174,611	\$ 0	\$ 174,611	\$ 174,611
Investments:				
US Treasury Bill maturing on 7/1/21	110,000	0	110,000	109,997
US Treasury Bill maturing on 10/21/21	317,955	0	317,955	317,960
Total Restricted Cash and Investments	\$ 602,566	\$ 0	\$ 602,566	\$ 602,568

NOTE 4: Grants Receivable and Grant Funds Received in Advance

Grant revenues are recorded when the grant funds are expended. Grant funds received in excess of expenditures are shown as "Grant Funds Received in Advance". Conversely, grant expenditures in excess of those grant funds received have been reflected as "Grants Receivable."

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5: Capital Assets

A summary of changes in general fixed assets for the year ending June 30, 2021 is as follows:

	Balance as of 7/1/2020	Additions	Deletions and Adjustments	Balance as of 6/30/2021
Assets not being depreciated:				
Land	\$ 194,748	\$ 872,943	\$ 0	\$ 1,067,691
Construction in progress	80,568	688,452	0	769,020
Other capital assets:				
Building and improvements	5,835,038	19,414	0	5,854,452
Furniture and fixtures	546,741	0	0	546,741
Equipment	226,774	10,174	0	236,948
Total	6,883,869	1,590,983	0	8,474,852
Accumulated depreciation	(3,756,353)	(168,104)	0	(3,924,457)
Net Book Value	\$ 3,127,516	\$ 1,422,879	\$ 0	\$ 4,550,395

NOTE 6: Bonds Payable

In August 1995, the Library, under the auspices of the Dormitory Authority of New York State closed on a \$4,900,000 bond issue. The proceeds were used to finance the Library's expansion and renovation costs. In July 2005, the bonds were refinanced with a new bond issue in the amount of \$4,240,000. The new interest rates range from 3% to 5% over the repayment term. The bonds remain payable until July 1, 2025.

As of June 30, 2021, the Library's liability for bonds payable is \$1,370,000. Future payments are as follows:

Year Ended June 30,	Principal Payments	Interest Payments	Total Payments
2022	\$ 255,000	\$ 52,894	\$ 307,894
2023	265,000	42,328	307,328
2024	275,000	31,019	306,019
2025	280,000	19,225	299,225
2026	295,000	0	295,000
Total	\$ 1,370,000	\$ 145,466	\$ 1,515,466

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7: Compensated Absences Payable

The Library has an accumulated liability as of June 30, 2021 for unused sick, vacation and compensatory time due to its employees in the amount of \$74,885. This is a decrease of \$89,025 from the June 30, 2020 balance of \$163,910. The Library does not expect to pay any of this liability within one year.

NOTE 8: Long Term Debt

The following is a summary of changes in long-term debt for the period ended June 30, 2021:

	<u>Balance</u>			<u>Balance</u>	<u>Non-current liabilities</u>	
	<u>7/1/2020</u>	<u>Increases</u>	<u>Reductions</u>	<u>6/30/2021</u>	<u>Due within</u>	<u>Due after</u>
					<u>one year</u>	<u>one year</u>
Compensated absences	\$ 163,910	\$ 0	\$ 89,025	\$ 74,885	\$ 0	\$ 74,885
Net pension liability	1,357,774	0	1,352,142	5,632	0	5,632
General obligation bonds	1,615,000	0	245,000	1,370,000	255,000	1,115,000
Other post-employment benefits payable	<u>4,010,676</u>	<u>342,560</u>	<u>0</u>	<u>4,353,236</u>	<u>0</u>	<u>4,353,236</u>
Total	<u>\$ 7,147,360</u>	<u>\$ 342,560</u>	<u>\$ 1,686,167</u>	<u>\$ 5,803,753</u>	<u>\$ 255,000</u>	<u>\$ 5,548,753</u>

NOTE 9: Significant Event

In June of 2020, the taxpayers of the Library approved the future issuance of bonds in the amount of \$33,500,000. The proceeds of the bonds will be used to completely redesign and renovate the Library building.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10: Funds Assigned for Specific Purposes

A summary of changes in assigned funds for the year ending June 30, 2021 is as follows:

Funds Assigned For:	Balance as of 7/1/2020	Funds Assigned (Unassigned)	Funds Expended	Balance as of 6/30/2021
Special project fund	\$ 5,037	\$ 33	\$ 0	\$ 5,070
Unemployment	14,599	96	0	14,695
Other post-employment benefits	414,617	2,728	0	417,345
Sick and vacation payouts	139,126	570	(52,478)	87,218
Emergency building fund	354,170	2,330	0	356,500
Technology and projects	216,263	1,423	0	217,686
Total	<u>\$ 1,143,812</u>	<u>\$ 7,180</u>	<u>\$ (52,478)</u>	<u>\$ 1,098,514</u>

NOTE 11: Retirement Plan

- A. **Plan Description and Benefits Provided:** The Library participates in the New York State and Local Employees' Retirement System (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2018, he was elected for a new term commencing January 1, 2020. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Library also participates in the Public Employees' Group Term Life Insurance plan (GTLI), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11: Retirement Plan: (Continued)

- B. Benefits Provided:** The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service.

Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months. Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11: Retirement Plan: (Continued)

B. Benefits Provided: (Continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after 10 years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11: Retirement Plan: (Continued)

B. Benefits Provided: (Continued)

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement.

Post-Retirement Benefit Increases (Continued)

An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1 percent or exceed 3 percent.

- C. Contributions:** The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first 10 years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required. The required contribution for the current fiscal year was \$301,276, for the 2020 fiscal year it was \$276,863, and for the 2019 fiscal year it was \$295,364.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11: Retirement Plan: (Continued)

- D. Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions:** At June 30, 2021, the Library reported a liability of \$5,632 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021, the Library's proportion was 0.0056559 percent, which was an increase of .00052850 percent from its proportion measured at June 30, 2020.

For the year ended June 30, 2021, the Library recognized pension expense of \$252,341.

At June 30, 2021, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 68,780	\$ 0
Changes in assumptions	1,035,507	19,530
Net difference between projected and actual earnings on pension plan investments	0	1,617,786
Changes in proportion and differences between employer contributions and proportionate share of contributions	266,569	12,593
Library's contributions subsequent to the measurement date	<u>83,876</u>	<u>0</u>
Total	<u>\$ 1,454,732</u>	<u>\$ 1,649,909</u>

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11: Retirement Plan: (Continued)

D. Pension Liabilities, Pension Expenses, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions: (Continued)

\$83,876 reported as deferred outflows of resources related to pensions resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount Recognized</u>
2022	\$ 3,491
2023	38,835
2024	(35,378)
2025	(286,001)
2026	<u>0</u>
Total	<u>\$ (279,053)</u>

E. Actuarial Assumptions: The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions:

Inflation	2.70%
Salary increases	4.40%
Investment rate of return (net of investment expense, including inflation)	5.90%
Cost of living adjustments	1.40%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. The previous actuarial valuation as of April 1, 2019 used April 1, 2010 – March 31, 2015 System experience, mortality improvements based on the Society of Actuaries' Scale MP-2018, inflation of 2.5%, cost-of-living adjustments of 1.3%, salary increases of 4.5%, and investment rate of return of 6.8%.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11: Retirement Plan (Continued)

E. Actuarial Assumptions: (Continued)

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	32.00%	4.05%
International equity	15.00%	6.30%
Private equity	10.00%	6.75%
Real estate	9.00%	4.95%
Opportunistic portfolio	3.00%	4.50%
Credit	4.00%	3.63%
Real assets	3.00%	5.95%
Fixed income	23.00%	0.00%
Cash	1.00%	0.50%
Total	<u>100.00%</u>	

The real rate of return is net of the long-term inflation assumption of 2.0%

Discount Rate – The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11: Retirement Plan (Continued)

E. Actuarial Assumptions: (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption – The following presents the Library's proportionate share of the net pension liability calculated using the discount rate of 5.9 percent, as well as what the Library's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.9 percent) or 1 percentage point higher (6.9 percent) than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Library's proportionate share of the net pension liability	\$ 1,563,171	\$ 5,632	\$ (1,430,784)

Pension plan fiduciary net position – The components of the current year net pension liability of the New York State and Local Retirement System as of March 31, 2021, in thousands of dollars was as follows:

	Total
Employers' total pension liability	\$ 220,680,157
Plan net position	<u>(220,580,583)</u>
Employers' net pension liability	<u>\$ 99,574</u>
Ratio of plan net position to the Employers' total pension liability	99.95%

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12: Post-employment Benefits Other Than Pensions

- A. Plan Description:** The New York State Department of Civil Service (DCS) administers the New York Health Insurance Program (NYSHIP) which provides health insurance to current and retired employees of New York State, and participating public authorities and local governmental units, such as the Oceanside Library. NYSHIP offers comprehensive hospital, medical and prescription drug benefits. As administrator of NYSHIP, the DCS performs all administrative tasks and has the authority to establish and amend the benefit provisions offered. Annual benefit premiums charged to and paid by participating local governmental entities are generally the same, regardless of each individual employer's risk profile. The annual benefit premiums collected by DCS are then remitted to the health insurance carriers that comprise NYSHIP. NYSHIP is considered an agent multiple-employer defined benefit plan, it is not a separate entity or trust, and does not issue stand-alone financial statements. The Library, as a participant in the plan, recognizes these postemployment benefits on an accrual basis.
- B. Funding Policy:** Contribution requirements are determined by the Library Board. Currently, for full-time employees hired before July 1, 2007 the Library will pay 100% of the cost of health insurance for the retiree and their dependents provided that they were a participant in NYSHIP for a total of five years. Effective March 1, 2009 the Library will pay 100% of the health insurance cost for single coverage and 50% of the additional cost for family coverage provided that the retiree had worked full-time for the Library for ten years and was a participant in NYSHIP for five years.

For the fiscal year ending June 30, 2020, the Library recognized the cost of providing health insurance by recording its share of retiree insurance premiums of \$135,833 as an expenditure in the General Fund. Oceanside Library also reimburses retired employees and their spouses the full cost of Medicare deducted from their Social Security benefits, which amounted to \$55,821. The retiree's share of premiums for health insurance is withheld from their monthly NYS retirement pension payment.

As of July 1, 2019, the following employees were covered by the benefit terms:

Active employees	25
Inactive employees entitled to but not yet receiving benefit payments	0
Inactive employees or beneficiaries currently receiving benefit payments	<u>14</u>
Total	<u><u>39</u></u>

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12: Post-employment Benefits Other Than Pensions (Continued)

C. Total Other Post-Employment Benefit (OPEB) Liability: The Library's total OPEB liability of \$4,353,236 was updated through June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

D. Actuarial Assumptions and Other Inputs:

Inflation Rate	2.00%
Annual Payroll Increase	2.50%
Discount Rate	2.16%
2020 Medical Trend Rates (Pre-65/Post-65)	7.50% / 5.00%
2019 Medical Trend Rates (Pre-65/Post-65)	7.00% / 5.00%
Ultimate Medical Trend Rate	5.00%
Year Ultimate Trend Year Reached (Pre-65/Post-65)	2025/2019

The discount rate was based on the *Bond Buyer's 20 Bond Index*.

Mortality rates were based on the Society of Actuaries' RPH-2014 Total Dataset head count-weighted fully generational mortality table with projection scale MP-2019.

E. Changes in The Total OPEB Liability:

Balance at June 30, 2020	\$ <u>4,010,676</u>
Changes for the year:	
Service cost	338,219
Interest	94,793
Changes in benefit terms	0
Differences between expected and actual experience	0
Changes in assumptions and other inputs	29,411
Benefit payments	<u>(119,863)</u>
Net changes	<u>342,560</u>
Balance at June 30, 2021	\$ <u><u>4,353,236</u></u>

Note: For the purpose of calculating this liability, there have been no plan changes. The assumption changes were the updating of the pre-65 healthcare cost trend rates and the mortality improvement scale. The discount rate was 2.21% at June 30, 2020 and was 2.16% at June 30, 2021.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12: Post-employment Benefits Other Than Pensions (Continued)

E. Changes In The Total OPEB Liability: (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 5,006,334	\$ 4,353,236	\$ 3,815,469

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.50%) or 1 percentage point higher (8.00% decreasing to 5.50%) than the current healthcare cost trend rate:

	1% Decrease (6.00% Decreasing to 3.50%)	Healthcare Cost Trend Rate (7.00% Decreasing to 4.50%)	1% Increase (8.00% Decreasing to 5.50%)
Total OPEB Liability	\$ 3,627,082	\$ 4,353,236	\$ 5,290,466

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of resources Related to OPEB: For the year ending June 30, 2020, the Library recognized OPEB expense of \$406,457. At June 30, 2021, the Library reported deferred inflows of resources that were related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Experience gain	\$ 0	\$ 612,335
Changes in assumptions	514,609	55,480
Total	\$ 514,609	\$ 667,815

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12: Post-employment Benefits Other Than Pensions (Continued)

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of resources Related to OPEB: (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to post-employment benefits other than pensions will be recognized in other post-employment benefits expense as follows:

<u>Year Ending June 30,</u>	<u>Amount Recognized</u>
2022	\$ (26,555)
2023	(26,555)
2024	(23,226)
2025	(10,733)
2026	(33,981)
Thereafter	<u>(32,156)</u>
Total	<u>\$ (153,206)</u>

NOTE 13: Commitments and Contingencies

The Library has committed to operating lease agreements for several copiers, postal equipment, as well as temporary library space. In December 2020, the Library entered into an agreement to rent space in order to operate the Library during the construction and renovation of its existing Library building. The agreement requires twelve quarterly payments of \$137,500 commencing March 1, 2021.

For the fiscal year ending June 30, 2021 the Library made total lease payments of \$290,429. The future minimum lease commitment is detailed as follows:

<u>Year Ending June 30,</u>	<u>Lease Commitment</u>
2022	\$ 561,237
2023	556,560
2024	275,000
2025	<u>0</u>
Total	<u>\$ 1,392,797</u>

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14: Reconciliation of Fund Financial Statements to Government-Wide Financial Statements

Total fund balance and the net change in fund balance of the Library's governmental fund differs from net position and changes in net position of the governmental activities reported in the statement of net position and statement of activities. This difference primarily results from the long-term economic focus of the statement of net position and statement of activities versus the current financial resources focus of the governmental fund balance sheet and statement of revenue, expenditures, and change in fund balance. The following are reconciliations of fund balance to net position and the net change in fund balance to the change in net position:

Total Fund Balance - Modified Accrual Basis	\$ 3,665,666
Amounts reported in the statement of net position are different because:	
• Capital assets are not reported in the funds	4,550,395
• Deferred outflows of resources are not reported in the funds	1,969,341
• Interest expense on the bond liability is not accrued in the funds	(28,997)
• Net pension liability is not included in the funds	(5,632)
• Deferred inflows of resources are not reported in the funds	(2,317,724)
• Compensated absences are included as a liability in the funds	(74,885)
• Obligation for other post-employment health insurance, to be paid in future periods is not reported in the funds	(4,353,236)
• Bonds payable in future periods are not reported in the funds	<u>(1,370,000)</u>
Total Net Position - Full Accrual Basis	<u>\$ 2,034,928</u>
Net Change in Fund Balance - Modified Accrual Basis	\$ 198,449
Amounts reported in the statement of activities are different because:	
• Capital outlays are reported as expenditures in the statement of revenue, expenditures, and changes in fund balance; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation	
Capital outlay	1,590,983
Depreciation expense	(168,104)
(Increase)/decrease in the items reported as expenditures in the statements of activities, not in the fund statements:	
Compensated absences	89,025
Interest on bonds payable	4,900
Post-employment health costs	(286,597)
Net pension expenses	61,875
• Repayments of principal on bonds payable are not an expense in the statement of activities, rather a reduction of the liability	<u>245,000</u>
Change in Net Position - Full Accrual Basis	<u>\$ 1,735,531</u>

OCEANSIDE LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Tax revenues	\$ 6,904,192	\$ 6,904,192	\$ 6,904,192	\$ 0
State aid and grants	10,000	10,000	10,562	562
Other Revenue:				
Fines and fees			1,846	
Lost material reimbursements			889	
Interest			12,032	
E-rate reimbursement			5,088	
Gifts and donations			3,679	
Miscellaneous			203	
Total Other Revenue	<u>90,000</u>	<u>90,000</u>	<u>23,737</u>	<u>(66,263)</u>
Transfer From Prior Year Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 7,004,192</u>	<u>\$ 7,004,192</u>	<u>\$ 6,938,491</u>	<u>\$ (65,701)</u>
Expenditures:				
Salaries and Wages:				
Professional	\$ 1,428,850	\$ 1,428,850	\$ 1,247,548	\$ 181,302
Clerical	767,670	767,670	820,412	(52,742)
Custodial	193,574	193,574	268,977	(75,403)
Pages	175,100	175,100	143,830	31,270
Total Salaries and wages	<u>2,565,194</u>	<u>2,565,194</u>	<u>2,480,767</u>	<u>84,427</u>
Employee Benefits:				
Hospital and medical insurance	775,000	775,000	747,834	27,166
Retirement	285,000	285,000	314,211	(29,211)
Social Security	190,000	190,000	185,719	4,281
Workers' compensation	45,000	45,000	34,973	10,027
Life insurance and disability	16,000	16,000	20,743	(4,743)
Total Employee Benefits	<u>\$ 1,311,000</u>	<u>\$ 1,311,000</u>	<u>\$ 1,303,480</u>	<u>\$ 7,520</u>

The accompanying notes are an integral part of the financial statements.

OCEANSIDE LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures: (continued)				
Library Services:				
Books	\$ 187,000	\$ 187,000	\$ 113,806	\$ 73,194
Media	85,000	85,000	52,754	32,246
Community information and programs	119,500	119,500	106,054	13,446
Databases (electronic searching)	49,000	49,000	43,731	5,269
Library automation system	64,820	64,820	61,539	3,281
Library System support	27,930	27,930	27,930	0
Periodicals	22,000	22,000	10,354	11,646
Software and online services	20,000	20,000	22,950	(2,950)
Non-book items	1,000	1,000	0	1,000
Total Library Services	<u>576,250</u>	<u>576,250</u>	<u>439,118</u>	<u>137,132</u>
Administrative Operations:				
Office and library supplies	38,000	38,000	43,542	(5,542)
Telephone	17,100	17,100	16,748	352
Printing and postage	35,500	35,500	1,186	34,314
Professional fees/contracts	48,320	48,320	82,268	(33,948)
Professional dues/development	19,000	19,000	5,542	13,458
Office equipment contracts and maintenance	68,785	68,785	73,897	(5,112)
Miscellaneous	0	0	5	(5)
Total Administrative Operations	<u>226,705</u>	<u>226,705</u>	<u>223,188</u>	<u>3,517</u>
Building Operations:				
Rent	0	0	183,333	(183,333)
Utilities	87,000	87,000	83,175	3,825
Insurance	37,000	37,000	41,224	(4,224)
Building service contracts	30,929	30,929	37,869	(6,940)
Repair to building equipment and grounds	39,000	39,000	29,317	9,683
Custodial supplies	15,000	15,000	19,046	(4,046)
Total Building Operations	<u>\$ 208,929</u>	<u>\$ 208,929</u>	<u>\$ 393,964</u>	<u>\$ (185,035)</u>

The accompanying notes are an integral part of the financial statements.

OCEANSIDE LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures: (continued)				
Capital Outlay:				
Building improvements (Vision 2020)	\$ 1,800,000	\$ 1,800,000	\$ 1,561,395	\$ 238,605
Building improvements	0	0	19,414	(19,414)
Furniture and equipment	0	0	10,174	(10,174)
Total Capital Outlay	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,590,983</u>	<u>209,017</u>
Debt Service:				
Bond principal payments			245,000	
Bond interest payments			62,894	
Bond and administrative fees			1,000	
Total Debt Service	<u>316,114</u>	<u>316,114</u>	<u>308,894</u>	<u>7,220</u>
Total Expenditures	<u>7,004,192</u>	<u>7,004,192</u>	<u>6,740,394</u>	<u>263,798</u>
Excess Of Revenues Over Expenditures	0	0	198,097	198,097
Other Financing Sources (Uses):				
Transfer from Debt Service Fund	<u>0</u>	<u>0</u>	<u>2,086</u>	<u>2,086</u>
Excess Of Revenues And Other Financing Sources Over Expenditures	0	0	200,183	200,183
Budgetary fund balance- beginning of year	<u>2,862,917</u>	<u>2,862,917</u>	<u>2,862,917</u>	<u>2,862,917</u>
Budgetary Fund Balance- End Of Year	<u>\$ 2,862,917</u>	<u>\$ 2,862,917</u>	<u>\$ 3,063,100</u>	<u>\$ 3,063,100</u>

The accompanying notes are an integral part of the financial statements.

**OCEANSIDE LIBRARY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
NYSLRS PENSION PLAN
FOR THE 2021 FISCAL YEAR****

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Library's proportion of the net pension liability (asset)	0.00566%	0.00513%	0.00415%	0.00473%	0.00450%	0.00472%	0.00455%
Library's proportionate share of the net pension liability (asset)	\$ 5,632	\$ 1,357,774	\$ 293,891	\$ 152,505	\$ 423,219	\$ 757,840	\$ 153,690
Library's covered-employee payroll	\$ 2,054,345	\$ 1,898,076	\$ 1,975,721	\$ 1,995,158	\$ 1,905,692	\$ 1,747,024	\$ 1,732,955
Library's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.2742%	71.5342%	14.8751%	7.6438%	22.2082%	43.3789%	8.8687%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

** The amounts presented for the fiscal year were determined as of the March 31st that occurred within the fiscal year.

The accompanying notes are an integral part of the financial statements.

**OCEANSIDE LIBRARY
SCHEDULE OF LIBRARY PENSION CONTRIBUTIONS
NYSLRS PENSION PLAN
FOR THE 2021 FISCAL YEAR**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 301,276	\$ 276,863	\$ 295,364	\$ 305,864	\$ 293,887	\$ 313,213	\$ 370,364
Contributions in relation to the contractually required contribution	<u>301,276</u>	<u>276,863</u>	<u>295,364</u>	<u>305,864</u>	<u>293,887</u>	<u>313,213</u>	<u>370,364</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Library's covered-employee payroll	\$ 2,054,345	\$ 1,898,076	\$ 1,975,721	\$ 1,995,158	\$ 1,905,692	\$ 1,747,024	\$ 1,732,955
Contributions as a percentage of covered-employee payroll	14.67%	14.59%	14.95%	15.33%	15.42%	17.93%	21.37%

The accompanying notes are an integral part of the financial statements.

OCEANSIDE LIBRARY
SCHEDULE OF CHANGES IN THE LIBRARY'S TOTAL OPEB
LIABILITY AND RELATED RATIOS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 338,219	\$ 255,781	\$ 260,474	\$ 271,087
Interest	94,793	118,341	147,150	130,804
Changes of benefit terms	0	0	0	0
Differences between expected and actual experience	0	(198,511)	0	0
Changes in assumptions or other inputs	29,411	(104,488)	185,422	(133,892)
Benefit payments	<u>(119,863)</u>	<u>(135,910)</u>	<u>(117,749)</u>	<u>(100,092)</u>
Net Change in total OPEB liability	342,560	(64,787)	475,297	167,907
Total OPEB liability- beginning	<u>4,010,676</u>	<u>4,075,463</u>	<u>3,600,166</u>	<u>3,432,259</u>
Total OPEB liability- ending	<u>\$ 4,353,236</u>	<u>\$ 4,010,676</u>	<u>\$ 4,075,463</u>	<u>\$ 3,600,166</u>
Covered-employee payroll	\$ 1,720,534	\$ 1,678,570	\$ 1,671,003	\$ 1,638,238
Total OPEB liability as a % of covered-employee payroll	253.02%	238.93%	243.89%	219.76%

Notes to schedule:

Changes of benefit terms: None

Notes to schedule:

Assumption changes:

Discount rate	2.16%	2.21%	3.50%	3.87%
Mortality Improvement Scale	MP-2019	MP-2019	MP-2016	MP-2016
Pre-65 Trend Rate	7.0% down to 4.5%	7.5% down to 4.5%	8.5% down to 5.0%	9.0% down to 5.0%

The accompanying notes are an integral part of the financial statements.

**SUMMARY OF CERTAIN PROVISIONS
OF THE LOAN AGREEMENT**

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SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

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

Operation of the Project

The Institution shall continue to be duly authorized to do business in the State and will operate all portions of the Project as A library facility throughout the term of the Loan Agreement. (Section 2.3(a))

Maintenance of Corporate Existence

The Institution shall maintain its corporate existence, will continue to operate as a not-for-profit institution for educational or charitable purposes as set forth in its charter, shall obtain, maintain and keep in full force and effect such governmental approvals, consents, licenses, permits and accreditations as may be necessary for the continued operation of the Institution as an institution for educational or charitable purposes as set forth in its charter providing such programs and services as it may from time to time determine, shall not dissolve or otherwise dispose of all or substantially all of its assets and shall not consolidate with or merge into another corporation or permit one or more corporations to consolidate with or merge into it; provided, however, that if no Event of Default shall be continuing, then, upon prior written notice to the Issuer, the Institution may (i) sell or otherwise transfer all or substantially all of its assets to, or consolidate with or merge into, another organization or corporation which qualifies under Section 501(c)(3) of the Code, or any successor provision of federal income tax law, or (ii) permit one or more corporations or any other organization to consolidate with or merge into it, or (iii) acquire all or substantially all of the assets of one or more corporations or any other organization; provided, further, that in each case (a) the Institution provides a Favorable Opinion of Bond Counsel addressed to the Issuer and the Trustee relating to any such sale, transfer, consolidation, merger or acquisition, (b) the surviving, resulting or transferee corporation, as the case may be, is incorporated under the laws of the State and qualified under Section 501(c)(3) of the Code or any successor provision of federal income tax law, and (c) the surviving, resulting or transferee corporation, as the case may be, assumes in writing all of the obligations of and restrictions on the Institution under the Loan Agreement and under the Institution Documents, furnishes to the Issuer a certificate to the effect that upon such sale, transfer, consolidation, merger or acquisition such corporation shall be in compliance with applicable, laws, rules and regulations and each of the provisions of the Loan Agreement and shall meet the requirements of the Act and furnishes such other certificates and documents as the Issuer may reasonably request. (Section 2.3(c))

Accounts and Reports

The Institution shall at all times maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles, of all transactions and events relating to the business and affairs of the Institution. (Section 2.3(d))

Limitation on Agreements

Except as expressly provided in the Loan Agreement or the Resolution, the Institution shall not enter into any contracts or agreements or perform any act which may adversely affect any of the assurances, interests or rights of the Issuer or the Bondholders under the Loan Agreement or under the Resolution. (Section 2.3(e))

Information Concerning Institution

The Institution, whenever requested by the Issuer, shall provide and certify or cause to be provided and certified subject to legal restrictions, if any, such information concerning the Institution, its finances and other related topics as the Issuer from time to time reasonably determines to be necessary or desirable, including information reasonably necessary or desirable to enable the Issuer to make any reports or obtain any approvals required by law, governmental regulation or the Resolution to effect any of the transactions contemplated by the Loan Agreement or by the Resolution.

The Institution shall, if and when requested by the Issuer, provide to the Issuer reports with respect to the status of the construction of the Project. The Institution shall also furnish to the Issuer: (i) annually, not later than six (6) months after the end of the Institution's fiscal year, copies of the Institution's audited financial statements and (ii) such other statements, reports and schedules describing the finances, operation and management of the Institution and such other information as the Issuer may from time to time reasonably request.

The Institution shall deliver to the Issuer each year no later than one (1) month after the end of the Institution's fiscal year a compliance certificate signed by the Treasurer, Chief Financial Officer or the President of the Institution in the form attached to the Loan Agreement, together with other statistical information required by the Issuer.

The Institution shall immediately notify the Issuer and the Trustee of the occurrence of any default or any event which with notice and/or lapse of time would constitute a default under the Loan Agreement or any of the other Institution Documents. Any such notice required to be given pursuant to the Loan Agreement, shall be signed by an Authorized Representative of the Institution and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the Institution shall state this fact on the notice.

The Institution shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, instruments, conveyances, transfers and assurances, at the sole cost and expense of the Institution, as the Issuer or the Trustee deems necessary or advisable for the implementation, effectuation, correction, confirmation or perfection of the Loan Agreement and any rights of the Issuer or the Trustee under the Loan Agreement or under the Resolution.

The Institution shall furnish to the Issuer and the Trustee notice of the commencement of any proceeding by or against the Institution commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law. (Section 2.3(f))

Compliance with Certain Requirements

The Institution shall comply with (i) all Governmental Requirements which, if not complied with, could adversely affect the Institution, its operations or financial condition or title to its properties in any material respect, and (ii) any requirement of an insurance company providing insurance to or for the benefit of the Institution. Anything contained in the Loan Agreement to the contrary notwithstanding, the Institution shall have the right to contest the validity of any Governmental Requirement or the application thereof at the Institution's sole cost and expense. During such contest, compliance with the contested Governmental Requirement may be deferred by the Institution, provided that prior to commencing any action or proceeding, administrative or judicial, contesting the Governmental Requirement, the Institution notifies the Issuer of the Institution's intention to contest such Governmental Requirement and, if the Issuer requests, shall furnish to the Issuer moneys or other security, satisfactory to the Issuer, securing compliance with the contested Governmental Requirement and payment of all interest, penalties, fines, fees and expenses resulting from or in connection with such contest or the failure of the Institution to comply with the contested Governmental Requirement. Any such action or proceeding instituted by the Institution shall be commenced as soon as is reasonably possible after the assertion of the applicability to the Project or any part thereof, of the contested Governmental Requirement by a governmental authority, and shall be prosecuted to final adjudication or other final disposition with reasonable dispatch. Notwithstanding the furnishing of any bond, deposit or other security, the Institution promptly shall comply with any such Governmental Requirement and compliance shall not be deferred if at any time the Project, or any part thereof, to which such contested Governmental Requirement relates, would be in substantial danger by reason of the Institution's noncompliance with such Governmental Requirement of being sold, attached, forfeited, foreclosed, transferred, conveyed, assigned or otherwise subjected to any proceeding, equitable remedy, lien, charge, fee or penalty that would impair (i) the interests or security of the Issuer under the Loan Agreement or under the Resolution, (ii) the ability of the Issuer to enforce its rights thereunder, (iii) the ability of the Issuer to fulfill the terms of any covenants or perform any of its obligations thereunder or (iv) the ability of the Institution to fulfill the terms of any covenants or perform any of its obligations thereunder. (Section 2.3(g))

Restriction on Religious Use

With respect to the Project or any portion thereof, so long as any of the Bonds are outstanding, the Project or portion thereof shall 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. (Section 2.3(i))

Sale of the Project

The Institution shall not transfer, sell or convey any interest in the Project or any part thereof or interest therein, including development rights unless the Institution provides a Favorable Opinion of Bond Counsel addressed to the Issuer and the Trustee relating to such action. (Section 2.3(j))

Financing and Refinancing of Project

The Institution agrees, and covenants and warrants to the Issuer that the proceeds of the Bonds will be used to finance and/or refinance, as applicable, the Costs of the Project and other purposes authorized by the Resolution.

With respect to the Series 2022 Bonds, the Institution agrees that, whether or not there are sufficient moneys available to it under the provisions of the Resolution and under the Loan Agreement, the Institution shall complete, in all material respects, the acquisition, design, construction, reconstruction, rehabilitation and improving or otherwise providing and furnishing and equipping of the Project, substantially in accordance with the description in the Official Statement. The Issuer makes no representation, express or implied, that the net proceeds of the Bonds will be sufficient to pay all costs to complete the Project. In the event that the moneys in the Construction Fund are not sufficient to pay in full all costs of the Project, the Institution agrees to pay all such sums as may be in excess of the moneys available therefor and necessary to complete the Project in all material respects. (Section 3.1)

Loan of Bond Proceeds

The Issuer agrees to loan the proceeds of the Bonds to the Institution in accordance with the provisions of the Loan Agreement. Such Bond proceeds shall be disbursed to the Institution in accordance with the provisions of the Resolution and of the Loan Agreement. (Section 4.1)

Loan Payments and Other Amounts Payable

Except to the extent that moneys are available therefor under the Resolution or under the Loan Agreement, including moneys in the Debt Service Fund (other than moneys required to pay the Redemption Price or purchase price of Outstanding Bonds theretofore called for redemption or contracted to be purchased, plus interest accrued to the date of redemption or purchase), and excluding interest accrued but unpaid on investments held in the Debt Service Fund, the Institution hereby unconditionally agrees to pay, so long as Bonds are Outstanding from its general funds or any other moneys legally available to it:

(i) On or before the date of delivery of the Bonds, the Issuer Fee agreed to by the Issuer and the Institution in connection with issuance of the Bonds;

(ii) On or before the date of delivery of the Bonds, such amount, if any, as is required, in addition to the proceeds of such Bonds available therefor, to pay the Costs of Issuance of the Bonds, and other costs in connection with the issuance of the Bonds;

(iii) On each Loan Repayment Date, Loan Repayments, subject to adjustment from time to time as a result of events including but not limited to prepayment(s) and interest rate adjustment(s), if applicable;

(iv) On or before any Redemption Date, the amount required to pay the Redemption Price or purchase price of such Bonds, together with the amount of any fees or expenses charged or incurred by the Issuer to effectuate the redemption or defeasance of such Bonds;

(v) On December 10 of each Bond Year one-half (1/2) of the Annual Administrative Fee payable during such Bond Year in connection with the Bonds, and on June 10 of each Bond Year the balance of the Annual Administrative Fee payable during such Bond Year; provided, however, that the Annual Administrative Fee with respect to the Bonds payable during the Bond Year during which such Annual Administrative Fee became effective shall be equal to the Annual Administrative Fee with respect to the Bonds multiplied by a fraction the numerator of which is the number of calendar months or parts thereof remaining in such Bond Year and the denominator of which is twelve (12);

(vi) Promptly upon demand by the Issuer or the Trustee, the difference between the amount on deposit in the Arbitrage Rebate Fund available to be rebated in connection with the Tax-Exempt Bonds or otherwise available therefor under the Resolution and the amount 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;

(vii) Promptly after notice from the Issuer, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Issuer (A) for the Issuer Fee then unpaid, (B) to reimburse the Issuer for payments made by it under the Loan Agreement, (C) to reimburse the Issuer for any external costs or expenses incurred by it attributable to the issuance of the Bonds or the financing or construction of a Project, including but not limited to any fees or other amounts payable by the Issuer under a Remarketing Agreement, a Credit Facility or a Liquidity Facility, (D) for the costs and expenses incurred by the Issuer to compel full and punctual performance by the Institution of all the provisions of the Loan Agreement or of the Resolution in accordance with the terms thereof and (E) for the fees and expenses of the Trustee and any paying agent in connection with performance of their duties under the Resolution; and

(viii) Promptly upon demand by the Trustee (a copy of which shall be furnished to the Issuer), all amounts required to be paid by the Institution as a result of an acceleration.

In addition to the Loan Payments, throughout the Loan Term, the Institution shall pay to the Issuer as additional loan payments, within fifteen (15) days of the receipt of demand therefor, an amount equal to the sum of the out-of-pocket expenses of the Issuer actually incurred (i) by reason of the Issuer's financing of the Project, or (ii) in connection with the carrying out of the Issuer's duties and obligations under the Issuer Documents, the payment of which is not otherwise provided for under the Loan Agreement; or (iii) on account of any payments made by the Issuer for the purpose of fulfilling the Institution's obligations under the Loan Agreement.

In addition, the Institution shall pay as additional loan payments within fifteen (15) days after receipt of a written demand therefor the Ordinary Expenses and Extraordinary Expenses payable by the Issuer to the Trustee pursuant to and under the Resolution.

Subject to the provisions of the Loan Agreement and of the Resolution, the Institution shall receive a credit against the amount required to be paid by the Institution during a Bond Year on account of any Sinking Fund Installments if, prior to the date notice of redemption is given pursuant to the Resolution with respect to Bonds to be redeemed through any Sinking Fund Installments during the next succeeding Bond Year, either (i) the Institution delivers to the Trustee for cancellation one or more Bonds and maturity to be so redeemed or (ii) the Trustee, at the written direction of the Issuer, has purchased one or more Bonds of the maturity to be so redeemed from amounts on deposit in the Debt Service Fund in accordance with the Resolution during such Bond Year. The amount of the credit shall be equal to the principal amount of the Bonds so delivered.

The Issuer hereby directs the Institution, and the Institution hereby agrees, to make certain payments required by the Loan Agreement directly to the Trustee for deposit and application in accordance with the Resolution, certain payments directly to the Trustee for deposit in the Construction Fund or other fund established under the Resolution, as directed by the Issuer, and certain payments directly to the Issuer.

Notwithstanding any provisions in the Loan Agreement to the contrary (except as otherwise specifically provided for in this paragraph), all moneys paid by the Institution to the Trustee pursuant to the Loan Agreement or otherwise held by the Trustee (other than certain moneys received by the Trustee) shall be applied in reduction of the Institution's indebtedness to the Issuer under the Loan Agreement, first, with respect to interest and, then, with respect to the principal amount of such indebtedness, but only to the extent that, with respect to interest on such indebtedness, such moneys are applied by the Trustee for the payment of interest on Outstanding Bonds, and, with respect to the principal of such indebtedness, such moneys have been applied to, or are held for, payments in reduction of the principal amount of Outstanding Bonds and as a result thereof Bonds have been paid or deemed to have been paid in accordance with the Resolution. Except as otherwise provided in the Resolution and the preceding sentence of this paragraph, the Trustee shall hold such moneys in trust in accordance with the applicable provisions of the Resolution for the sole and exclusive benefit of the Holders of Bonds, regardless of the actual due date or applicable payment date of any payment to the Holders of Bonds.

The Issuer, for the convenience of the Institution, may, in its sole discretion, furnish to the Institution statements of the due date, purpose and amount of payments to be made pursuant to the Loan Agreement. Neither the failure to furnish such statements nor any error contained in such statements shall excuse non-payment of the amounts payable under the Loan Agreement at the time and in the manner provided by the Loan Agreement.

The Issuer shall have the right in its sole discretion to make on behalf of the Institution any such payment required pursuant which has not been made by the Institution when due. No such payment by the Issuer shall limit, impair or otherwise affect the rights of the Issuer under the Loan Agreement arising out of the Institution's failure to make such payment and no payment by the Issuer shall be construed to be a waiver of any such right or of the obligation of the Institution to make such payment. (Section 4.2)

Obligations of Institution Unconditional

The Loan Agreement and the obligations of the Institution to make payments thereunder are general obligations of the Institution. The obligations of the Institution to make payments or cause the same to be made thereunder shall be absolute and unconditional and the amount, manner and time of making such payments shall not be decreased, abated, postponed or delayed for any cause or by reason of the happening or non-happening of any event, irrespective of any defense or any right of set-off, recoupment or counterclaim which the Institution may otherwise have against the Issuer, the Trustee or any Holder of Bonds for any cause whatsoever including, without limiting the generality of the foregoing, failure of the Institution to complete the Project or the completion thereof with defects, failure of the Institution to occupy or use the Project, any declaration or finding that the Bonds are or the Resolution is invalid or unenforceable or any other failure or default by the Issuer or the Trustee; provided, however, that nothing in the Loan Agreement shall be construed to release the Issuer from the performance of any agreements on its part contained in the Loan Agreement or any of its other duties or obligations, and in the event the Issuer shall fail to perform any such agreement, duty or obligation, the Institution may, subject to the provisions of the Loan Agreement, institute such action as it may deem necessary to compel performance or to recover damages for the Issuer's willful misconduct. (Section 4.3)

Security Interest in Pledged Revenues

As security for the payment of all liabilities and the performance of all obligations of the Institution pursuant to the Loan Agreement, the Institution continuously pledges, grants a security interest in, and assigns to the Issuer the Pledged Revenues, together with the Institution's right to receive and collect the Pledged Revenues and the proceeds of the Pledged Revenues.

The Institution represents and warrants that no part of the Pledged Revenues or any right to receive or collect the same or the proceeds thereof is subject to any lien, pledge, security interest or assignment, and that the Pledged Revenues assigned pursuant to the Loan Agreement are legally available to provide security for the Institution's performance under the Loan Agreement. The Institution agrees that it shall not, except as provided in the Resolution, create or permit the creation of any pledge, assignment, encumbrance, restriction, security interest in or other commitment of or with respect to the Pledged Revenues which is prior or equal to the pledge made under Section 4.6 of the Loan Agreement; provided, however, that the Institution may incur indebtedness secured by a parity lien on Pledged Revenues (excluding, however, the Issuer's security interest in the Project Levy) (referred to hereinafter as "Parity Indebtedness"). Prior to the incurrence of any Parity Indebtedness, (a) the Library shall provide written notice to the Issuer of its intent to incur such Parity Indebtedness and (b) an Intercreditor Agreement relating to such Parity Indebtedness (reflecting the relative priorities of the liens upon the Shared Collateral) in form and substance satisfactory to the parties thereto shall be executed and delivered. (Section 4.6)

Maintenance and Modifications of Project by Institution

The Institution shall, at its own expense, hold, operate and maintain the Project in a careful, prudent and economical manner, and keep the same, with the appurtenances and every part and parcel thereof, in good repair, working order and safe condition and shall from time to time make all necessary and proper repairs, replacements and renewals so that at all times the operation of the Project may be properly and advantageously conducted. The Institution shall have the right to remove or replace any type of fixtures, furnishings and equipment in the Project which may have been financed by the proceeds of the sale of the Bonds provided that such fixtures, furnishings and equipment continue to be used for purposes permitted under the Tax Certificate or as otherwise permitted in a

Favorable Opinion of Bond Counsel delivered by the Institution to the Issuer and the Trustee. The Institution shall pay at its own expense all extraordinary costs of maintaining, repairing and replacing the Project except insofar as funds are made available therefor from proceeds of insurance, condemnation or eminent domain awards. (Section 5.1)

Liens, Utilities and Access

The Institution warrants, represents and covenants that the Project (i) is and will be kept free from any encumbrances, liens or commitments of any kind, (ii) is and will be serviced by all necessary utilities (including, to the extent applicable, without limitation, electricity, gas, water, sewer, steam, heating, air conditioning and ventilation) and (iii) to the extent applicable, has and will have its own separate and independent means of access, apart from any other property owned by the Institution or others; provided, however, that such access may be through common roads or walks owned by the Institution used also for other parcels owned by the Institution. (Section 5.3)

Taxes, Assessments and Utility Charges

The Institution shall pay when due at its own expense, and hold the Issuer harmless from, all taxes, assessments, water and sewer charges and other impositions, if any, which may be levied or assessed upon the Institution or any of its property. The Institution shall file exemption certificates as required by law. The Institution agrees to exhibit to the Issuer within ten (10) days after written demand by the Issuer, certificates or receipts issued by the appropriate authority showing full payment of all taxes, assessments, water and sewer charges and other impositions; provided, however, the Institution may, in good faith, contest any such taxes, assessments and other charges. In the event of any such proceedings, the Institution shall pay such taxes, assessments or other charges so contested, or, at its option, allow the same to remain unpaid during the period of such proceedings and any appeal therefrom, provided, however, that (i) neither the Project nor any part thereof or interest therein would be in any immediate danger of being sold, forfeited or lost by reason of such proceedings, and (ii) the Institution shall have set aside on its books adequate reserves with respect thereto and shall have furnished such security, if any, as may be required in such proceedings. (Section 5.4)

Insurance Required

The Institution agrees to maintain or cause to be maintained insurance with insurance companies or by means of self-insurance, insurance of such type, against such risks and in such amounts as are customarily carried by private colleges and universities located in the State of a nature similar to that of the Institution, which insurance shall include property damage, fire and extended coverage, public liability and property damage liability insurance in amounts estimated to indemnify the reasonably anticipated damage, loss or liability, subject to reasonable deductible provisions. The Institution shall at all times also maintain worker's compensation coverage and disability benefits insurance coverage as required by the laws of the State. (Section 5.5(a))

Damage or Condemnation

Any insurance, condemnation or eminent domain proceeds received by the Institution shall either be: (i) applied to the cost of replacing, repairing, rebuilding, restoring or relocating the Project; (ii) paid to the Trustee for deposit to the Debt Service Fund and applied to the purchase or redemption of Outstanding Bonds; or (iii) used for any other purpose for which the Institution provides a Favorable Opinion of Counsel to the Issuer and the Trustee.

All such repair, replacement, rebuilding, restoration or relocation of the Project (or such portion thereof) shall be effected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements and shall be promptly and fully paid for by the Institution in accordance with the terms of the applicable contracts.

If any portion of the Project shall be damaged or destroyed (in whole or in part) at any time during the term of the Loan Agreement: (i) there shall be no abatement or reduction in the amounts payable by the Institution under the Loan Agreement (whether or not such portion of the Project is replaced, repaired, rebuilt, restored or relocated); and (ii) the Issuer shall have no obligation to replace, repair, rebuild, restore or relocate the Project or any portion of the Project. (Section 6.1)

Investment of Funds

The Institution acknowledges that the Issuer shall direct the investment of moneys held under the Resolution as provided therein and that no representation or warranty has been made by the Issuer with respect to interest rates on, or the amount to be earned as a result of, any such investment. The Issuer shall regularly consult with the Institution regarding any investments of funds being held in the Construction Fund. 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 investment or for any loss, direct or indirect, resulting from any such investment. The Issuer hereby agrees that it shall direct the making of investments as permitted by the Resolution as soon as practicable when moneys are legally available therefor. (Section 7.6)

Arbitrage; Tax Exemption

The Institution covenants and agrees that it shall not perform any act or enter into any agreement or omit to take any action that would adversely affect its status as an organization described in Section 501(c)(3) of the Code and shall conduct its operations in a manner which conforms to the standards necessary to qualify the Institution as a charitable organization within the meaning of Section 501(c)(3) of the Code or any successor provisions of federal income tax law. (Section 8.2)

The Issuer and the Institution covenant that they will comply with the provisions of the Code required to preserve the exclusion from gross income of interest on the Tax-Exempt Bonds for Federal income tax purposes, and shall not take or omit to take any action if such action or omission would cause the interest on the Tax-Exempt Bonds to be includable in gross income under Section 103 of Code.

The Issuer and the Institution each covenant that it will not take any action or fail to take any action which would cause any of its representations contained in the Tax Certificate to be untrue and shall comply with all its covenants contained in the Tax Certificate, unless the Issuer or the Institution, as applicable, provides the other party with a Favorable Opinion of Bond Counsel relating to the taking or failing to take such action or the failing to comply with its covenants under the Tax Certificate.

Except with a Favorable Opinion of Bond Counsel addressed to the Issuer and the Trustee, neither the Institution nor any related party to the Institution (as defined in Treas. Reg. §1.150-1(b)) shall purchase any of the Tax-Exempt Bonds in an amount related to the obligation represented by the Loan Agreement. (Section 8.3)

Defaults and Remedies

As used in the Loan Agreement the term “**Event of Default**” shall mean:

(i) the Institution shall default in the timely payment of Loan Payments or the payment of any other amounts required to be delivered or paid by or on behalf of the Institution in accordance herewith and the Resolution, and such default continues for a period in excess of seven (7) days; or

(ii) the Institution defaults in the due and punctual performance of any other covenant contained in the Loan Agreement (other than those designated in (i) above) or breaches any representation made herein and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given to the Institution by the Issuer or the Trustee; provided, however, that, if in the determination of the Issuer such default cannot be corrected within such thirty (30) day period but can be corrected by appropriate action, it shall not constitute an Event of Default if corrective action is instituted by the Institution within such period and is diligently pursued until the default is corrected and in any event, not to exceed ninety (90) days; or

(iii) as a result of any default in payment or performance required of the Institution under the Loan Agreement or any other Event of Default thereunder, whether or not declared, continuing or cured, the Issuer shall be in default in the payment or performance of any of its obligations under the Resolution or an “event of default” (as defined in the Resolution) shall have been declared under the Resolution so long as such default or event of default shall remain uncured or the Trustee, a Provider or Holders of the Bonds shall be seeking the enforcement of any remedy under the Resolution as a result thereof; or

(iv) the Institution shall (A) be generally not paying its debts as they become due, (B) file, or consent by answer or otherwise to the filing against it of a petition under the United States Bankruptcy Code or under any other bankruptcy or insolvency law of any jurisdiction, (C) make a general assignment for the benefit of its general creditors, (D) consent to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property, (E) be adjudicated insolvent or be liquidated, (F) take corporate action for the purpose of any of the foregoing or (G) shall admit in writing its inability to pay its debts generally as they become due; or

(v) a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by the Institution, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or an order for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Institution, or any petition for any such relief shall be filed against the Institution and such petition shall not be dismissed or stayed within ninety (90) days; or

(vi) the charter or certificate of incorporation of the Institution or any license necessary to operate the Project shall be suspended or revoked; or

(vii) a petition to dissolve the Institution shall be filed by the Institution with the legislature of the State, the Attorney General of the State or other governmental authority having jurisdiction over the Institution; or

(viii) an order of dissolution of the Institution shall be made by the legislature of the State or other governmental authority having jurisdiction over the Institution, which order shall remain undismissed or unstayed for an aggregate of thirty (30) days; or

(ix) a petition shall be filed with a court having jurisdiction for an order directing or providing for the sale, disposition or distribution of all or substantially all of the property belonging to the Institution which petition shall remain undismissed or unstayed for an aggregate of ninety (90) days; or

(x) an order of a court having jurisdiction shall be entered directing or providing for the sale, disposition or distribution of all or substantially all of the property belonging to the Institution, which order shall remain undismissed or unstayed for the earlier of (A) three (3) Business Days prior to the date provided for in such order for such sale, disposition or distribution or (B) an aggregate of thirty (30) days from the date such order shall have been entered; or

(xi) a final judgment for the payment of money, at least one million dollars (\$1,000,000) of which is not covered by insurance or reserves set aside by the Institution, shall be rendered against the Institution and at any time after forty-five (45) days from the entry thereof, (A) such judgment shall not have been discharged or paid, or (B) the Institution shall not have taken and be diligently prosecuting an appeal therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, and shall not have caused, within forty-five (45) days, the execution of or levy under such judgment, order, decree or process or the enforcement thereof to have been stayed pending determination of such appeal; or

(xii) the Institution shall be in default in connection with any indebtedness secured by the Pledged Revenues and as a consequence thereof such indebtedness has been or is capable of being declared immediately due and payable.

Upon the occurrence of an Event of Default the Issuer may take any one or more of the following actions:

- (i) declare all sums payable by the Institution under the Loan Agreement immediately due and payable;
- (ii) withhold any and all payments, advances and reimbursements from the proceeds of Bonds or the Construction Fund or otherwise to which the Institution may otherwise be entitled under the Loan Agreement and in the Issuer's sole discretion apply any such proceeds or moneys for such purposes as are authorized by the Resolution;
- (iii) maintain an action against the Institution under the Loan Agreement to recover any sums payable by the Institution or to require its compliance with the terms of the Loan Agreement;

(iv) realize upon any pledge of or security interest in the Pledged Revenues and the rights to receive the same, all to the extent provided in the Loan Agreement by any one or more of the following actions: (A) enter the Institution and examine and make copies of the financial books and records of the Institution relating to the Pledged Revenues and take possession of all checks or other orders for payment of money and moneys in the possession of the Institution representing Pledged Revenues or proceeds thereof (B) notify any account debtors obligated on any Pledged Revenues to make payment directly to the Issuer or to the Trustee, as the Issuer may direct, and of the amount to be so paid; provided, however, that (1) the Issuer may, in its discretion, immediately collect the entire amount of interest, principal, or Sinking Fund Installments, if any, coming due on Outstanding Bonds on the next interest payment date therefor, and may continue to do so commencing on each such interest payment date to the extent of amounts due on Outstanding Bonds on the next interest payment date therefor, with respect to the Pledged Revenues, until such amounts are fully collected, (2) written notice of such notification shall be mailed to the Institution five (5) days prior to mailing or otherwise making such notification to account debtors and (3) until the Institution shall receive such notice it shall have full authority and responsibility to enforce and collect Pledged Revenues owing from its account debtors; (C) following the above mentioned notification to account debtors, collect, compromise, settle, compound or extend amounts payable as Pledged Revenues which are in the form of accounts receivable or contract rights from the Institution's account debtors by suit or other means and give a full acquittance therefor and receipt therefor in the name of the Institution whether or not the full amount of any such account receivable or contract right owing shall be paid to the Issuer; (D) require the Institution to deposit all moneys, checks or other orders for the payment of money which represent Pledged Revenues in an amount equal to the Pledged Revenues assigned under the Loan Agreement within five (5) business days after receipt of written notice of such requirement, and thereafter as received, into a fund or account to be established for such purpose by the Issuer; provided, however, that (1) the moneys in such fund or account shall be applied by the Issuer to the payment of any of the obligations of the Institution under the Loan Agreement, including the fees and expenses of the Issuer, (2) the Issuer in its sole discretion may authorize the Institution to make withdrawals from such fund or account for its corporate purposes and (3) the requirement to make such deposits shall cease and the balance of such fund or account shall be paid to the Institution when all Events of Default under the Loan Agreement by the Institution have been cured; (E) forbid the Institution to extend, compromise, compound or settle any accounts receivable or contract rights which represent any unpaid assigned Pledged Revenues, or release, wholly or partly, any person liable for the payment thereof (except upon receipt of the full amount due) or allow any credit or discount thereon; or (F) endorse in the name of the Institution any checks or other orders for the payment of money representing any unpaid assigned Pledged Revenues or the proceeds thereof; and

(v) take any action necessary to enable the Issuer to realize on its liens under the Loan Agreement or by law, and any other action or proceeding permitted by the terms of the Loan Agreement or by law.

All rights and remedies in the Loan Agreement given or granted to the Issuer are cumulative, non-exclusive and in addition to any and all rights and remedies that the Issuer may have or may be given by reason of any law, statute, ordinance or in equity or otherwise, and no failure to exercise or delay in exercising any remedy shall effect a waiver of the Issuer's right to exercise such remedy thereafter, but any such right and power may be exercised from time to time and as may be deemed expedient.

At any time before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of any Event of Default or before the completion of the enforcement of any other remedies under the Loan Agreement, the Issuer may annul any declaration made or action taken pursuant to the Loan Agreement and its consequences if such Event of Default shall be cured. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereto. *(Section 9.1)*

Termination

The Loan Agreement shall remain in full force and effect until no Bonds related thereto are Outstanding and until all other payments, expenses and fees payable thereunder by the Institution shall have been made or provision made for the payment thereof; provided, however, that certain liabilities and the obligations of the Institution to provide reimbursement for or indemnification against expenses, costs or liabilities made or incurred pursuant to the Loan Agreement shall nevertheless survive any such termination. *(Section 10.1)*

Amendments to Loan Agreement

The Loan Agreement may be amended only in accordance with the Resolution and each amendment shall be made by an instrument in writing signed by the Institution and the Issuer, an executed counterpart of which shall be filed with the Trustee. *(Section 11.4)*

Further Assurances

The Institution, 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, the Pledged Revenues, and other moneys, securities, funds and security interests by the Loan Agreement or by the Resolution pledged, assigned or granted, or intended so to be, or which the Institution may after the date of the Loan Agreement become bound to pledge, assign or grant to the Issuer pursuant to the Loan Agreement. *(Section 11.7)*

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

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**SUMMARY OF CERTAIN PROVISIONS
OF THE RESOLUTION**

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a brief summary of certain provisions of the Resolution pertaining to the Series 2022 Bonds and the Series 2022 Bonds. This summary does not purport to be complete and reference is made to the Resolution for full and complete statements of such and all provisions. The headings below are not part of the 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 Loan Agreement entered into in connection with the Bonds of such Series or from any realization upon any Collateral Security given in connection with the Loan Agreement, the Issuer's security interests in the Collateral Security and the applicable Series Resolution (other than the Unassigned Rights and subject to the provisions of any Intercreditor Agreement) and, except as otherwise provided in the Resolution, all funds and accounts established by or pursuant to the Series Resolution authorizing the issuance of such Series of Bonds are pledged under the Resolution and assigned to the Trustee as security for the payment of the principal and Redemption Price of and interest on the Bonds of such Series and as security for the performance of any other obligation of the Issuer under the Resolution and under the Series Resolution authorizing the issuance of such Series of Bonds, all in accordance with the provisions of the Resolution and the Series Resolution.

The pledges made by the 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 and the Issuer's security interests in the Collateral Security 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 under the Resolution as provided therein and the Issuer's security interest in the Collateral Security pledged under the Resolution and provided therein.

The Bonds of each Series shall be separately secured one from another by the Loan Agreement entered into in connection with a particular Series of Bonds and the Revenues derived from the Loan Agreement and the Collateral Security given to secure the Institution's obligations under the Loan Agreement, and only the Bonds of the Series in connection with which the Loan Agreement was entered into shall be secured by the Loan Agreement 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 Loan Agreement. *(Section 2.3)*

Assignment of Rights and Remedies to the 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 the Institution 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 and subject to the provisions of any Intercreditor Agreement) the Loan Agreement and the Collateral Security for the Loan Agreement, together with all rights, powers, security interests, privileges, options and other benefits of the Issuer under the Loan Agreement and Collateral Security, including, without limitation, the immediate and continuing right to receive, enforce and collect (and to apply the same in accordance with the Resolution) all Revenues, insurance proceeds, sale proceeds and other payments and other security now or hereafter payable to or receivable by the Issuer under the Loan Agreement, including without limitation the right to declare the indebtedness under the Loan Agreement immediately due and payable and to foreclose, sell or otherwise realize upon such Collateral Security, and the right to make all waivers and agreements in the name and on behalf of the Issuer, as Trustee for the benefit of the Bondholders, and to perform all other necessary and appropriate acts under the Loan Agreement. 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 the Loan Agreement, the Issuer shall have no obligation to and instead the Trustee, in accordance with the Resolution or the Loan 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 the Loan 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 Institution under the Loan 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, the Issuer, the Issuer shall give written notice to the Trustee, and each applicable Provider of its election or direction to redeem, of the Series and of the principal amounts of the Bonds of each maturity of such Series and Sub-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 Issuer in its sole discretion and 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 Bond Series Certificate. Such notice shall be given to the Trustee, and each applicable Provider 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 money 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 to be given the Issuer shall have paid or caused to be paid to the Trustee an amount which, in addition to other amounts available therefor held by the Trustee, is 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 of such Series 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, it shall be assumed that for any period for which the rate at which such Bonds will bear interest is unknown such Bonds bear interest at the Maximum Rate established therefore by the Series Resolution authorizing such Bonds or the Bond Series Certificate applicable thereto. *(Section 5.2)*

Mandatory Sinking Fund Redemption

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

Any notice of redemption, other than a notice for special or extraordinary redemption provided for in a Series Resolution or Bond Series Certificate, may state that the redemption is conditioned upon receipt by the Trustee, on or prior to the redemption date, of moneys sufficient to pay the Redemption Price of the Bonds to be redeemed, and that if such moneys are not received such notice shall be of no force or effect and such Bonds shall not be required to be redeemed.

Such notice shall further state that on such date there shall become due and payable upon each Bond of a Series 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. Such notice shall be given by mailing a copy of such notice 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 Bond Series Certificate relating thereto, but in no event less than fifteen (15) days prior to the redemption date. Such notice shall be sent by first class mail, postage prepaid, to the registered owners of the Bonds which are to be redeemed, at their last known addresses, if any, appearing on the registration books not more than ten (10) Business Days prior to the date such notice is given and the 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 of a Series 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 by mail in the manner provided in the Resolution, the Bonds of a Series 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 drawn for redemption less than all of the principal amount of a registered Bond of a Series, 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 of a Series 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 and Paying Agents so as to be available therefor on such date and if notice of redemption shall have been mailed as aforesaid, then, from and after the redemption date, interest on such 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 the Institution, written notice thereof and of the Bonds of the Series, and maturity to be so purchased having been given by the Institution 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 Bond Series Certificate related thereto. The Trustee shall not give such notice unless prior to the date such notice is given, the Institution 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 the Institution'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 the Institution. (*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, if any;
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

As soon as practicable after the delivery of a Series of Bonds, the Trustee shall deposit in the Construction Fund 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 such Construction Fund all amounts paid by the Institution which by the terms of the Loan Agreement executed in connection with such Series of Bonds are required to be deposited therein for the acquisition, construction, reconstruction, renovation or equipment of any 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 a Construction Fund shall be used only to pay the Costs of Issuance of the Series of Bonds in connection with which such Construction Fund was established and the Costs of the Project for which such Construction Fund was established.

Payments 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. 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 Institution 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 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 Institution in the form set forth in the Loan Agreement (which certificate shall not be required if no money is remaining in the Construction Fund), the money then remaining in the Construction Fund, after making provision in accordance with the direction of the Issuer for the payment of any Costs of Issuance and Costs of the 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 Arbitrage Rebate Fund, the amount set forth in such direction; 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 Revenues and any other money required by any of the provisions of a Loan 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: (a) amounts paid to the Trustee for any of the following purposes: (i) to pay the Costs of Issuance of the Bonds, and other costs in connection with the issuance of the Bonds; (ii) to pay 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 (iii) to pay the fees and expenses of the Trustee in connection with performance of its duties under the Resolution; and (b) amounts required to be paid by the Institution to the Trustee pursuant to any section of the Loan 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 Debt Service Fund established in connection with Bonds of a Series, when due: (i) the interest due and payable on the Outstanding Bonds of such Series; (ii) the principal due and payable on the Outstanding Bonds of such Series; (iii) 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 (iv) 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, the Redemption Price, together with interest accrued and unpaid thereon, on the redemption date.

The Issuer may, at any time subsequent to July 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 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, the Institution pursuant to a Loan Agreement may deliver, at any time subsequent to July 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 Debt Service Fund as provided in the Resolution, shall promptly notify the Issuer and the Institution of any balance of Revenues remaining in the Debt Service Fund on the first day of the next succeeding Bond Year. The balance, if any, of the Revenues then remaining shall be applied in the following order of priority: first, there shall be paid to the Issuer, unless otherwise paid, such amounts as are payable to the Issuer for: (i) 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 Loan Agreement in accordance with the terms thereof, and (ii) any unpaid fees or other amounts payable to the Issuer under the Loan 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; second, upon the direction of the Issuer, be paid by the Trustee to the Institution, in the respective amounts set forth in such direction. Any amounts paid to the Institution 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 Loan Agreement; and third, be retained in the Debt Service Fund. (*Section 6.5*)

Arbitrage Rebate Fund

The Trustee shall deposit to the Arbitrage Rebate Fund any money delivered to it by the Institution for deposit therein and, notwithstanding any other provisions of the Resolution, shall transfer to the 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 Loan 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 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 Institution. Upon receipt of such notice, the Issuer may advise the Institution that no further payments on account of principal and interest are due under the Loan Agreement and further (upon the receipt of written instructions from an Authorized Officer of the Institution) 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 be continuously and fully secure all money held under the Resolution by it for the benefit of the Issuer and the Holders of the 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 (i) 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, (ii) 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 (iii) 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.

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 Institution 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 created by the Resolution 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 the Institution, 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 the Institution. Such report shall include at least: a statement of all funds (including investments thereof) held by the Trustee pursuant to the provisions of the Resolution and of each Series Resolution; a statement of the Revenues collected in connection with the Resolution and with each 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 or by or pursuant to a Series Resolution with respect to the Shared Collateral or the 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 Revenues, the Issuer's security interest in the Collateral Security 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 Shared Collateral or the Revenues, is not prior or equal to the charge or lien created by the Resolution. (*Section 8.6*)

Enforcement of Duties and Obligations of the Institution; Obligations of the Issuer

The Issuer covenants that, at the written request of the Trustee, it shall take all legally available action to cause the Institution fully to perform all duties and acts and fully to comply with the covenants of the Institution required by the Loan Agreement in the manner and at the times provided in the Loan 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 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.

The Loan Agreement sets forth covenants and obligations of the Issuer and the Institution, and reference is by the Resolution made to the same for a detailed statement of said covenants and obligations. Notwithstanding anything to the contrary in the Resolution or the Loan 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 the Loan 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 Institution under the Loan 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 Loan Agreement

The Loan 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: (i) to add an additional covenant or agreement for the purpose of further securing the payment of the Institution's obligations under the Loan Agreement that is not contrary to or inconsistent with the covenants and agreements of the Institution contained in the Loan Agreement; (ii) to prescribe further limitations and restrictions upon the Institution'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; (iii) to surrender any right, power or privilege reserved to or conferred upon the Institution, if surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Institution contained in the Loan Agreement; (iv) to make changes necessary or appropriate in connection with the acquisition, construction, reconstruction, rehabilitation and improvement, or otherwise providing, furnishing and equipping of any Project, (v) to amend the description of any Project or to add an additional Project; to establish, amend or modify the Issuer Fee or the Annual Administrative Fee (each as defined in the Loan Agreement) payable by the Institution in connection with the Bonds of a Series; or (vi) with the prior written consent of the Trustee, to cure any ambiguity, or to correct or supplement any provisions contained in the Loan Agreement which may be defective or inconsistent with any other provisions contained in the Resolution or in the Loan Agreement or to amend, modify or waive any other provision

of the Loan Agreement, provided that the same does not adversely affect the interests of the Bondholders in any material respect.

Notwithstanding the provisions of the preceding paragraph, the Loan 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 Revenues payable by the Institution under the Loan 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 Loan Agreement, (iii) diminishes, limits or conditions the rights or remedies of the Issuer under the Loan Agreement upon the occurrence of an Event of Default thereunder, or (iv) adversely affects the rights of the 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 the Resolution.

Bonds owned or held by or for the account of the Issuer or the Institution shall not be deemed Outstanding for the purpose of consent, and neither the Issuer nor the Institution 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 the Institution 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 a Loan 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 a Loan 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 Institution, 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*)

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 8.11)*

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 the Institution. Such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Resolution and of the 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, the Institution, as provided in a Loan Agreement, shall pay to the Trustee, from time to time, 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 the Institution as provided in the Loan Agreement and, upon the occurrence of an Event of Default and except as otherwise set forth in a 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 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. The Institution shall, pursuant to its obligations under the Loan 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. (*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 or Enhancement and the Institution, 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 the Institution, 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 the Institution. 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 Enhancement or such successor thereof and the Institution. (*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 or Enhancement and the Institution. 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; 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, 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 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, and the subjection to any lien, claim or pledge created or to be created by the provisions of the Resolution, of the 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 Series of Bonds Outstanding as of the date of adoption of such Supplemental Resolution or Series Resolution shall cease to be Outstanding, and all Bonds 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 Series Resolution or Supplemental Resolution in any other respect, provided that such modification shall not adversely affect the interests of the Bondholders of a Series in any material respect. *(Section 10.1)*

Supplemental Resolutions Effective With Consent of Bondholders

The provisions of the Resolution and of a 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 Bondholders of the applicable Series 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 an Authorized Officer of the Issuer. (*Section 10.2*)

General Provisions Relating to Series Resolutions and 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 the Institution 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 and of the Holders of the Bonds under the Resolution or of any Series Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as in the Resolution after provided in the Resolution, (i) of the Holders of at least a majority in principal amount of the Bonds of a 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 particular Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond of a Series 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 a 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 of such Series. 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 of the Resolution. The Trustee shall transmit a copy of such Supplemental Resolution to the Institution 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 above 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).

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 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 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 then Outstanding, such consent to be given as provided in the Resolution, except that no notice to the Bondholders either by mailing or publication 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 a Series Resolution (referred to in the Resolution as an “event of default”) if with respect to the Bonds of a Series to which the 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, either at maturity or by proceedings for redemption or otherwise; 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; 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; or
- (e) An “Event of Default” as defined in a Loan Agreement shall have occurred and be continuing and all sums payable by the Institution under the Loan Agreement shall have been declared to be immediately due and payable, which declaration shall not have been annulled. *(Section 12.2)*

Acceleration of Maturity

Upon the happening and continuance of any event of default specified in the Resolution, other than an event of default summarized in paragraph (c) above, then and in every such case the Trustee may, 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 a Series, shall, by a notice in writing to the Issuer and each Rating Service(s) then rating the Outstanding Bonds of such Series, declare the principal of and interest on all of the Outstanding Bonds of such Series to be immediately due and payable. At the expiration of thirty (30) days after notice of such declaration has been given, such principal and interest on all of the Outstanding Bonds of such Series shall become and be immediately due and payable, anything in the Resolution or in a Series Resolution or in the Bonds of a Series to the contrary notwithstanding. At any time

after the principal of such Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee shall, with the written consent of the Holders of not less than twenty-five per centum (25%) in principal amount of the Bonds of such Series not then due by their terms and then Outstanding, by written notice to the Issuer, annul such declaration and its consequences if: (i) money shall have accumulated in the Debt Service Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds of such Series (except the interest accrued on such Bonds since the last interest payment date); (ii) money shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and any Paying Agent; (iii) all other amounts then payable by the Issuer under the Resolution and under the Series Resolution (other than principal amounts payable only because of a declaration and acceleration under the Resolution) shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Resolution or in the Series Resolution or in such Bonds (other than a default in the payment of the principal of such Bonds then due only because of a declaration under the Resolution) shall have been remedied to the reasonable satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon. (*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 or any Paying Agent) to protect and enforce its rights and the rights of the Bondholders under the Resolution or under the 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 Series Resolution or in aid or execution of any power in the Resolution or in the applicable Series Resolution granted, or for an accounting against the Issuer as if the Issuer were the trustee of an express trust, 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 a 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 a Series Resolution or of the Bonds, 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 a 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 a 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*)

PART 2 — Priority of Payments After Default

If at any time the money held by the Trustee under the Resolution and under each 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 Arbitrage Rebate Fund all amounts required to be deposited therein and then paying all amounts owing to the Trustee hereunder) 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 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 a 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 the 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 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 the Bonds. (*Section 12.5*)

Bondholders' Direction of Proceeding

The Holders of a majority in principal amount of the Outstanding Bonds of a 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 Series Resolution, provided such direction shall be in accordance with law and the provisions of the Resolution and of each 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 hereunder 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 a 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 hereunder and in equity or at law. It is understood and intended that no one or more Holders of the Bonds of a Series secured by the Resolution and by a 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 thereof or to enforce any right hereunder or thereunder except in the manner in the Resolution and therein 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. (Section 12.11)

Notice of Event of Default

The Trustee shall give notice of each event of default hereunder known to the Trustee to the Institution and to any provider of a Credit Facility (if any), within five (5) days after knowledge of the occurrence thereof and to the Holders of 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 Bonds, the Trustee shall be protected in withholding notice thereof to the Holders of 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 Bonds. Each such notice of event of default shall be given by the Trustee (i) to Bondholders in accordance with the provisions of the Resolution; (ii) by giving written notice thereof to any provider of a Credit Facility (if any) and to such other persons as is required by law; and (iii) by filing a copy of such notice with EMMA. (Section 12.12)

PART 3 — Defeasance

(a) If the Issuer shall pay or cause to be paid to the Holders of Bonds of a 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 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 Series shall be paid or delivered 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 a Loan Agreement for fees and expenses of the Issuer or pursuant to any indemnity; and, then, the balance thereof to the Institution. 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 Series Resolution or Loan 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) if:

(i) 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;

(ii) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities purchased with money, the principal of and interest on which when due will provide money which, together with cash, 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;

(iii) 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

(iv) 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 on deposit in accordance with the provisions of (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 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 a Loan Agreement for fees and expenses of the Issuer or pursuant to any indemnity; and, then, the balance thereof to the Institution. 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 Series Resolution or Loan Agreement.

(c) For the purpose of determining whether an Option Bonds shall be deemed to have been paid in accordance with the defeasance provisions, there shall be deposited with the Trustee cash 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 cash 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 a Loan Agreement for fees and expenses of the Issuer or pursuant to any indemnity; and, then, the balance thereof to the Institution. Such cash 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 any Series Resolution or Loan 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), 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 delivery of the Series 2022 Bonds, Hodgson Russ LLP, Albany, New York, and Golden Holley James LLP, New York, New York, Co-Bond Counsel, proposes to issue their approving opinions as to the Series 2022 Bonds in substantially the following form:

March 3, 2022

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

Re: \$30,715,000 Dormitory Authority of the State of New York
Oceanside Library Revenue Bonds, Series 2022

Ladies and Gentlemen:

We have acted as Co-Bond Counsel to the Dormitory Authority of the State of New York (“DASNY”) in connection with the issuance by DASNY of \$30,715,000 aggregate principal amount of its Oceanside Library Revenue Bonds, Series 2022 (the “Series 2022 Bonds”). DASNY is a body corporate and politic of the State of New York (the “State”) constituting a public benefit corporation organized and existing under the laws of the State, including the Dormitory Authority Act (being Chapter 524 of the Laws of 1944 of the State, as amended, and constituting Titles 4 and 4-B of Article 8 of the New York Public Authorities Law), as amended from time to time to the date hereof (hereinafter collectively referred to as the “Act”). We have also examined such certificates, documents, records and matters of law as we have deemed necessary for the purpose of rendering the opinions hereinafter set forth.

The Series 2022 Bonds are issued under and pursuant to the Act and DASNY’s Oceanside Library Bond Resolution adopted on February 2, 2022 (the “General Resolution”), the Series Resolution Authorizing Up To \$35,000,000 Oceanside Library Revenue Bonds, Series 2022 adopted on February 2, 2022 (the “Series 2022 Resolution”) and the Certificate of Determination designating and setting forth the terms of the Series 2022 Bonds (the “Series 2022 Certificate of Determination” and, together with the General Resolution and the Series 2022 Resolution, the “Resolutions”). The Series 2022 Bonds are being issued for the purposes set forth in the Resolutions. Capitalized terms used herein and not defined shall have the meanings set forth in the Resolutions.

DASNY has entered into a Loan Agreement with the Oceanside Library (the “Library”) dated as of February 2, 2022 (the “Loan Agreement”), providing, among other things, for a loan to the Library for the purposes permitted thereby and by the Resolutions. Pursuant to the Loan Agreement, the Library is required to make payments sufficient to pay the principal, sinking fund installments, if any, and redemption price, if applicable, of and interest on the Series 2022 Bonds as the same become due, which payments have been pledged by DASNY to the Trustee for the benefit of the holders of the Series 2022 Bonds. DASNY, the Library and the Trustee have also entered into a Tax Certificate and Compliance Agreement dated as of the date hereof relating to the Series 2022 Bonds (the “Tax Certificate and Agreement”).

The Series 2022 Bonds are dated their date of delivery, mature in the years and in the respective principal amounts, and bear interest on the dates and at the respective rates per annum as set forth in the Resolutions.

The Series 2022 Bonds are to be issued in fully registered form in denominations of \$5,000 at maturity or any integral multiple thereof. The Series 2022 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 rendering the opinions expressed herein, we have reviewed the Act, the Resolutions, the Loan Agreement, the Tax Certificate and Agreement, opinions of counsel to DASNY, the Trustee and the Library, certificates of DASNY, the Trustee, the Library and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein. We have assumed the genuineness of all documents and signatures presented to us and the accuracy of the factual matters represented, warranted or certified therein. In connection with the delivery of this opinion, we are not passing upon the authorization, execution and delivery of the Loan Agreement by the Library, and have assumed the due authorization, execution and delivery of the Loan Agreement by the Library.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion speaks only of its date and is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Series 2022 Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than DASNY. 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 Loan Agreement and the Tax Certificate and Agreement, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Series 2022 Bonds to be included in gross income for federal income tax purposes.

Any opinion concerning the validity, binding effect or enforceability of any document (A) means that (1) such document constitutes an effective contract under applicable law, (2) such document is not invalid in its entirety under applicable law because of a specific statutory prohibition or public policy and is not subject in its entirety to a contractual defense under applicable law and (3) subject to the following sentence, some remedy is available under applicable law if the person concerning whom such opinion is given is in material default under such document, but (B) does not mean that (1) any particular remedy is available under applicable law upon such material default or (2) every provision of such document will be upheld or enforced in any or each circumstance by a court applying applicable law. Furthermore, the validity, binding effect or enforceability of any document may be limited to or otherwise affected by (A) any applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies generally or (B) the unavailability of, or any limitation on the availability of, any particular right or remedy (whether in a proceeding in equity or law) because of the discretion of a court or because of any equitable principle or requirement as to commercial reasonableness, conscionability or good faith.

DASNY has covenanted in the Resolutions and the Library has covenanted in the Loan Agreement to comply with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), in order to maintain the exclusion of the interest on the Series 2022 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, DASNY and the Library have made certain representations, certifications and covenants in the Tax Certificate and Agreement relating to the

Series 2022 Bonds. Co-Bond Counsel will not independently verify the accuracy of those representations and certifications. The opinions set forth in paragraphs 6 and 7 below assume, among other matters, the accuracy of certain representations and certifications made by DASNY and the Library described above and compliance with the aforementioned covenants and the requirements of the Code that must be satisfied subsequent to the issuance of the Series 2022 Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes, including covenants and requirements regarding use, expenditure of proceeds and timely payment of certain investment earnings to the United States Treasury. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2022 Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series 2022 Bonds.

Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2022 Bonds and express no opinion with respect thereto.

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

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

2. The Series 2022 Bonds have been duly and validly authorized to be issued and constitute the valid and binding special obligations of DASNY enforceable in accordance with their terms and the terms of the Resolutions, will be payable solely from the sources provided therefor in the Resolutions, and will be entitled to the benefit of the Resolutions and the Act.

3. The Resolutions are in full force and effect, have been duly adopted by, and constitute the valid and binding obligations of, DASNY. The Resolutions create a valid pledge, to secure the payment of the principal of and interest on the Series 2022 Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Series 2022 Bonds) held by the Trustee in any fund or account established pursuant to the Resolutions (except the Arbitrage Rebate Fund), subject to the provisions of the Resolutions permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolutions.

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

5. The Series 2022 Bonds are not a lien or charge upon the funds or property of DASNY 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 Series 2022 Bonds. The Series 2022 Bonds are not a debt of the State of New York, and the State of New York is not liable for the payment thereof.

6. Under existing law, interest on the Series 2022 Bonds is excludable from gross income for federal income tax purposes and is not an “item of tax preference” for purposes of the individual alternative minimum tax imposed by the Code; provided, however, that the interest on the Series 2022 Bonds is included in determining (i) the branch profits tax imposed on foreign corporations doing business in the United States under Section 884 of the Code and (ii) passive investment income for purposes of computing the tax on net passive income imposed on certain subchapter S corporations under Section 1375 of the Code.

7. Interest on the Series 2022 Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York and the City of Yonkers).

Except as stated in 6 and 7 above, we express no opinion regarding any federal, state or local tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2022 Bonds. Further, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2022 Bonds, or the interest thereon, if any action is taken with respect to the Series 2022 Bonds or the proceeds thereof upon the advice or approval of other counsel. We render no opinion as to the exclusion from gross income of interest on the Series 2022 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 Loan Agreement, the Tax Certificate and Agreement or under any other relevant documents without the advice or approval of Co-Bond Counsel, or upon the advice or approval of other counsel. In addition, we have not undertaken to determine, or to inform any person, whether any actions taken, or not taken, or events occurring, or not occurring, after the date of issuance of the Series 2022 Bonds may affect the tax status of interest on the Series 2022 Bonds. Further, although the interest is excludable from gross income for federal income tax purposes, receipt or accrual of the interest may otherwise affect the tax liability of a holder of a Series 2022 Bond. The tax effect of receipt or accrual of the interest will depend upon the tax status of a holder of a Series 2022 Bond and such holder's other items of income, deduction or credit. We express no opinion with respect to any such effect.

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

In rendering those opinions with respect to treatment of the interest on the Series 2022 Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of DASNY and the Library. Failure to comply with certain of those covenants subsequent to issuance of the Series 2022 Bonds may cause interest on the Series 2022 Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the Series 2022 Bonds, the Resolutions or the Loan Agreement.

The opinions contained in paragraphs 2 through 4 above are qualified to the extent that the enforceability of the Resolutions, the Series 2022 Bonds and the Loan Agreement may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy.

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

The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as Co-Bond Counsel with respect to the Series 2022 Bonds has concluded on this date.

Very truly yours,

By: _____

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FORM OF CONTINUING DISCLOSURE AGREEMENT

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FORM OF CONTINUING DISCLOSURE AGREEMENT

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

AGREEMENT TO PROVIDE CONTINUING DISCLOSURE

DORMITORY AUTHORITY OF THE STATE OF NEW YORK OCEANSIDE LIBRARY REVENUE BONDS, SERIES 2022

This **AGREEMENT TO PROVIDE CONTINUING DISCLOSURE** (the “Disclosure Agreement”), dated as of March 3, 2022 is executed and delivered by Oceanside Library (the “Obligated Person”), U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as Trustee (the “Trustee”) and Digital Assurance Certification, L.L.C. (“DAC”), as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) issued by the Dormitory Authority of the State of New York (the “Issuer” or “DASNY”) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

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

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

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

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

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

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

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

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

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

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

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

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

“Financial Obligation” means a (i) a 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 the Rule.

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

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

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

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

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

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

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

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

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

“Trustee” means U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association and its successors and assigns.

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

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

SECTION 2. Provision of Annual Reports.

(a) The Obligated Person shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than six (6) months after the end of each fiscal year of the Obligated Person (or any time thereafter following a Failure to File Event as described in this Section), commencing with the fiscal year ending June 30, 2022, such date and each anniversary thereof, the “Annual Filing Date.” Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide the Annual Report to the MSRB through its EMMA for municipal securities disclosures. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Obligated Person of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Obligated Person shall, not later than two (2) business days prior to the Annual Filing Date, either: (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Financial Information, Audited Financial Statements, if available, and unaudited financial statements, if Audited Financial Statements are not available in accordance with subsection (d) below and the Certification, provided further, however, that the unaudited financial statements shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the United States Securities Exchange Act of 1934, as amended, and Rule 17(a)(2) of the United States Securities Act of 1933, as amended. or (ii) instruct the Disclosure Dissemination Agent in writing, with a copy to the Trustee, that a Failure to File Event may occur, state the date by which the Annual Financial Information and Audited Financial Statements for such year are expected to be provided, and, at the election of the Obligated Person, instruct the Disclosure Dissemination Agent to send a notice to the MSRB in substantially the form attached as Exhibit B on the Annual Filing Date, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

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

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

- (e) The Disclosure Dissemination Agent shall:
- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
 - (ii) upon receipt, promptly file each Annual Report received under Section 2(a) and 2(b) with the MSRB;
 - (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
 - (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 - 1. Principal and interest payment delinquencies;
 - 2. Non-Payment related defaults, if material;
 - 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - 5. Substitution of credit or liquidity providers, or their failure to perform;
 - 6. Adverse tax opinions, Internal Revenue Service notices or events affecting the tax-exempt status of the securities;
 - 7. Modifications to rights of securities holders, if material;
 - 8. Bond calls, if material, and tender offers;
 - 9. Defeasances;
 - 10. Release, substitution, or sale of property securing repayment of the securities, if material;
 - 11. Ratings changes;
 - 12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
 - 13. The consummation of a merger, consolidation or acquisition involving the Obligated Person, or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - 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 Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation reflecting financial difficulties.
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Obligated Person pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. “amendment to continuing disclosure undertaking;”
 2. “change in obligated person;”
 3. “notice to investors pursuant to bond documents;”
 4. “certain communications from the Internal Revenue Service;”
 5. “secondary market purchases;”
 6. “bid for auction rate or other securities;”
 7. “capital or other financing plan;”
 8. “litigation/enforcement action;”
 9. “change of tender agent, remarketing agent, or other on-going party;”
 10. “derivative or other similar transaction;” and
 11. “other event-based disclosures;”
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Obligated Person pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
1. “quarterly/monthly financial information;”
 2. “change in fiscal year/timing of annual disclosure;”
 3. “change in accounting standard;”
 4. “interim/additional financial information/operating data;”
 5. “budget;”
 6. “investment/debt/financial policy;”

7. “information provided to rating agency, credit/liquidity provider or other third party;”
 8. “consultant reports;” and
 9. “other financial/operating data;” and
- (viii) provide the Obligated Person evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

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

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

SECTION 3. Content of Annual Reports.

Each Annual Report shall contain:

(a) Annual Financial Information with respect to the Obligated Person which shall include operating data and financial information of the type included in the Official Statement for the Bonds as described in “PART 4—THE LIBRARY” relating to: *revenues and expenses*, similar to that set forth under the headings “Annual Financial Information” and “Operational Data”; together with a narrative explanation as may be necessary to avoid misunderstanding regarding the presentation of such Annual Financial Information concerning the Obligated Person; and

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

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

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

SECTION 4. Reporting of Notice Events.

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

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices and determinations with respect to the tax status of the securities or other material events affecting the tax status of the securities;
7. Modifications to rights of the security holders, 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 Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation or acquisition involving the Obligated Person, or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
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 Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, 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 Obligated Person, any of which reflect financial difficulties.

The Obligated Person shall, in a timely manner not in excess of ten (10) business days after its occurrence, notify the Trustee and the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Upon

actual knowledge of the occurrence of a Notice Event, the Trustee shall promptly notify the Obligated Person and also shall notify the Disclosure Dissemination Agent in writing of the occurrence of such Notice Event. Each such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) of this Section 4 and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the desired text of the disclosure, the written authorization for the Disclosure Dissemination Agent to disseminate such information, and identify the desired date for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10th) business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Obligated Person or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Obligated Person or the Disclosure Representative, such notified party will within two (2) business days of receipt of such notice (but in any event not later than the tenth (10th) business day after the occurrence of the Notice Event, if the Obligated Person determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10th) business day after the occurrence of the Notice Event).

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

SECTION 5. CUSIP Numbers.

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

SECTION 6. Additional Disclosure Obligations.

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

SECTION 7. Voluntary Filing.

(a) The Obligated Person may instruct the Disclosure Dissemination Agent to file Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such

Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Obligated Person may instruct the Disclosure Dissemination Agent to file Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the desired text of the disclosure, contain the written authorization for the Disclosure Dissemination Agent to disseminate such information, if applicable, and identify the desired date for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

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

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

SECTION 8. Termination of Reporting Obligation.

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

SECTION 9. Disclosure Dissemination Agent.

The Obligated Person hereby appoints DAC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Obligated Person may, upon thirty (30) days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Obligated Person or DAC, the Obligated Person agrees to appoint a successor Disclosure Dissemination Agent or, alternatively, agrees to assume all responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Obligated Person shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty (30) days' prior written notice to the Obligated Person.

SECTION 10. Remedies in Event of Default.

In the event of a failure of the Obligated Person or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this

Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

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

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Obligated Person has provided such information to the Disclosure Dissemination Agent as provided in this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information, or any other information, disclosures or notices provided to it by the Obligated Person and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Obligated Person, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Obligated Person's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Obligated Person has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Obligated Person at all times.

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

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

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and it shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the Obligated Person.

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

SECTION 12. No Issuer or Trustee Responsibility.

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

SECTION 13. Amendment; Waiver.

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

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

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

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

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

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

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

SECTION 14. Beneficiaries.

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

SECTION 15. Governing Law.

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

SECTION 16. Counterparts.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

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

By: _____
Name: _____
Title: _____

OCEANSIDE LIBRARY,
Obligated Person

By: _____
Name: _____
Title: _____

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as successor in interest to U.S. BANK
NATIONAL ASSOCIATION**
as Trustee

By: _____
Name: _____
Title: _____

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: Dormitory Authority of the State of New York
Obligated Person(s): Oceanside Library
Name of Bond Issue: Oceanside Library Revenue Bonds, Series 2022
Date of Issuance: March 3, 2022
Date of Official Statement: February 17, 2022

<u>Maturity</u>	<u>CUSIP No.</u>
2023	65000BKA5
2024	65000BKB3
2025	65000BKC1
2026	65000BKD9
2027	65000BKE7
2028	65000BKF4
2029	65000BKG2
2030	65000BKH0
2031	65000BKJ6
2032	65000BKK3
2033	65000BKL1
2034	65000BKM9
2035	65000BKN7
2036	65000BKP2
2037	65000BKQ0
2042	65000BKR8
2052	65000BKS6

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Dormitory Authority of the State of New York
Obligated Person(s): Oceanside Library
Name of Bond Issue: Oceanside Library Revenue Bonds, Series 2022
Date of Issuance: March 3, 2022

CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an Annual Report with respect to the above-named Bonds as required by the Agreement to Provide Continuing Disclosure, dated as of _____, by and among the Obligated Person, U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as Trustee and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Obligated Person has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

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

cc: Obligated Person

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

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

Issuer's and Obligated Person's Names:

Six-Digit CUSIP Number:

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

Number of pages attached: _____

Description of Notice Events (Check One):

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

_____ Failure to provide annual financial information as required.

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

Signature:

Name: _____ Title: _____

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

Date:

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

This cover sheet and accompanying “voluntary event disclosure” will be sent to the MSRB, pursuant to the Continuing Disclosure Agreement dated as of March 3, 2022 by and among the Obligated Person, the Trustee and DAC.

Issuer’s and Obligated Person’s Names:

Six-Digit CUSIP Number:

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

Number of pages attached: _____

Description of Voluntary Event Disclosure (Check One):

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

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

Signature:

Name: _____ Title: _____

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

Date:

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

This cover sheet and accompanying “voluntary financial disclosure” will be sent to the MSRB, pursuant to the Continuing Disclosure Agreement dated as of March 3, 2022 by and among the Obligated Person, the Trustee and DAC.

Issuer’s and Obligated Person’s Names:

Six-Digit CUSIP Number:

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

Number of pages attached: _____

Description of Voluntary Financial Disclosure (Check One):

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

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

Signature:

Name: _____ Title: _____

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

Date:

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