NEW ISSUE **(See "Ratings" herein)**

$184,241,949
STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY
RECOVERY ACT BONDS

$47,350,000 SERIES 2009A	**$31,290,000 SERIES 2009B**	**$105,601,949 SERIES 2009C**
$35,090,000 Sub-Series 2009A1 (Tax-Exempt)	$24,775,000 Sub-Series 2009B1 (Tax-Exempt)	$97,171,949 Sub-Series 2009C1 (Tax-Exempt)
$9,400,000 Sub-Series 2009A2 (Federally Taxable – Build America Bonds)	$3,275,000 Sub-Series 2009B2 (Federally Taxable – Build America Bonds)	$5,630,000 Sub-Series 2009C2 (Federally Taxable – Build America Bonds)
$2,860,000 Sub-Series 2009A3 (Federally Taxable – Recovery Zone Bonds)	$3,240,000 Sub-Series 2009B3 (Federally Taxable – Recovery Zone Bonds)	$2,800,000 Sub-Series 2009C3 (Federally Taxable – Recovery Zone Bonds)

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

Payment and Security: The bonds of each Series identified above (collectively the "2009 Bonds") will be special obligations of the State of New York Municipal Bond Bank Agency (the "Agency"), payable solely from and secured by (i) a pledge of the payments to be made by one of more municipalities (each a "Municipality" and, collectively, the "Municipalities") in the State of New York (the "State") on their respective full faith and credit bonds issued to finance or refinance purposes eligible in whole or in part for subsidies under the American Recovery and Reinvestment Act of 2009 (each a "Local ARRA Bond" and, collectively, the "Local ARRA Bonds") purchased by the Agency, and (ii) all funds and accounts (excluding the Arbitrage Rebate Fund and the Subsidy Fund) authorized by the Master Resolution (as defined below) and established by the applicable Series Resolution (as defined below). None of the funds and accounts established under one Series Resolution secures any bond issued under any other Series Resolution. There is no debt service reserve fund securing the Series 2009 Bonds.

Each Municipality is required to sell and deliver its Local ARRA Bonds to the Agency for purchase by the Agency from proceeds of the Applicable Series 2009 Bonds attributable to such purchase. The respective Series 2009 Bonds will be secured by the pledge and assignment to The Bank of New York Mellon, as Trustee (the "Trustee") of payments to be made only under the Local ARRA Bonds purchased with proceeds of such Series 2009 Bonds. The principal and redemption price of and interest on the Local ARRA Bonds securing a Series of the Series 2009 Bonds are scheduled to be sufficient to pay, when due, the principal and redemption price of and interest on such Series of the Series 2009 Bonds. Each purchase by the Agency of Local ARRA Bonds from a Municipality will be made pursuant to a Local ARRA Bond Purchase Agreement dated December 1, 2009 between the Agency and the Municipality (each an "Agreement" and, collectively, the "Agreements"). Each Municipality is required under its Agreement to pay certain fees and expenses of the Agency and the Trustee.

Each Municipality will pledge its full faith and credit to the payment of the principal of and interest on its Local ARRA Bonds and has the power and is required under State statutes to levy and collect ad valorem taxes without limit as to rate or amount on all taxable property within such Municipality for such payment.

Authorization: The Series 2009 Bonds are authorized under the State of New York Municipal Bond Bank Agency Act (the "Act") and the Agency's Master ARRA Bond Financing Program Recovery Act Bond Resolution adopted November 16, 2009 (the "Master Resolution") and the Agency's Series Resolution adopted November 16, 2009 (the "Series 2009 Resolution"). See "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS."

The Series 2009 Bonds will not be a debt of the State of New York nor will the State be liable thereon. The Agency has no taxing power.

Description: The Series 2009 Bonds will be issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof except as noted herein. The Series 2009 Bonds will be issued initially as Book Entry Bonds, registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC" or the "Depository"). So long as the Depository is the registered owner of the Series 2009 Bonds, the Trustee and Paying Agent, will pay all principal, Sinking Fund Installments or Redemption Price of, and interest on, the Series 2009 Bonds only to or upon the order of the Depository, and all such payments will be valid and effective to fully satisfy and discharge the Agency's obligations with respect to such principal, Sinking Fund Installments or Redemption Price and interest to the extent of the sum or sums so paid. 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. No person other than the Depository will receive a Bond or other instrument evidencing the Agency's obligation to make payments of the principal, Sinking Fund Installments or Redemption Price thereof, and interest thereon. See "PART 3 – THE SERIES 2009 BONDS – Book-Entry Only System" herein.

Redemption: *The Series 2009 Bonds are subject to redemption prior to maturity as more fully described herein.*

Tax Status: In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Sub-Series 2009A1 Bonds, the Sub-Series 2009B1 Bonds and the Sub-Series 2009C1 Bonds (also collectively referred to herein as the "Federally Tax-Exempt Series 2009 Bonds") is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Bond Counsel is of the further opinion that interest on the Federally Tax-Exempt Series 2009 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. Bond Counsel expresses no opinion regarding whether such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel is also of the opinion that interest on the Sub-Series 2009A2 Bonds, Sub-Series 2009A3 Bonds, the Sub-Series 2009B2 Bonds, Sub-Series 2009B3 Bonds, the Sub-Series 2009C2 Bonds and the Sub-Series 2009C3 Bonds (also collectively referred to herein as the "Federally Taxable Series 2009 Bonds") is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is of the opinion that interest on the Federally Tax-Exempt Series 2009 Bonds and the Federally Taxable Series 2009 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). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Federally Tax-Exempt Series 2009 Bonds or the Federally Taxable Series 2009 Bonds. See "PART 10 – TAX MATTERS" herein.

The Series 2009 Bonds are offered when, as and if issued and received by the Underwriters. The offer of the Series 2009 Bonds may be subject to prior sale or may be withdrawn or modified at any time without notice. The offer is subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the Agency, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by their counsel, Hiscock & Barclay, LLP, Albany, New York and for each Municipality by its bond counsel as listed in Appendix B hereto. The Agency expects to deliver the Series 2009 Bonds through the facilities of DTC, on or about December 30, 2009.

Jefferies & Company

M R Beal & Company **RBC Capital Markets** **Wells Fargo Securities**

December 17, 2009

STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY
RECOVERY ACT BONDS

$47,350,000 SERIES 2009A

Interest Due: The 15th day of June and December, beginning June 15, 2010

$35,090,000 Sub-Series 2009A1 (Tax-Exempt)

Due December 15	Amount	Interest Rate	Yield	CUSIP[1]
2010	$ 175,000	2.000%	0.450%	64988VAA1
2011	4,380,000	2.250	0.750	64988VAB9
2012	4,585,000	4.000	1.000	64988VAC7
2013	5,090,000	4.000	1.300	64988VAD5
2014	5,400,000	4.000	1.700	64988VAE3
2015	2,475,000	4.000	2.160	64988VAF0
2016	2,515,000	5.000	2.510	64988VAG8
2017	2,625,000	5.000	2.760	64988VAH6
2018	2,635,000	5.000	2.990	64988VAJ2
2019	2,650,000	5.000	3.150	64988VAK9
2020	2,560,000	4.500	3.280	64988VAL7

$9,400,000 Sub-Series 2009A2 (Federally Taxable – Build America Bonds)

$4,600,000 5.161% Term Bond due December 15, 2022, Price 100% CUSIP [1] 64988VBY8
$4,800,000 5.661% Term Bond due December 15, 2024, Price 100% CUSIP [1] 64988VBZ5

$2,860,000 Sub-Series 2009A3 (Federally Taxable – Recovery Zone Bonds)

$2,860,000 6.454% Term Bond due December 15, 2029, Price 100% CUSIP [1] 64988VCD3

[1] CUSIP numbers have been assigned by an independent company not affiliated with the Agency and are included solely for the convenience of the holders of the Series 2009 Bonds. Neither the Agency nor the Underwriters are responsible for the selection or uses of these CUSIP numbers and no representation is made to their correctness on the Series 2009 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2009 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2009 Bonds.

$31,290,000 SERIES 2009B

Interest Due: The 15th day of June and December, beginning June 15, 2010

$24,775,000 Sub-Series 2009B1 (Tax-Exempt)

Due December 15	Amount	Interest Rate	Yield	CUSIP[1]
2010	$ 750,000	2.000%	0.700%	64988VAM5
2011	765,000	2.500	1.010	64988VAN3
2012	780,000	3.000	1.300	64988VAP8
2013	805,000	3.000	1.625	64988VAQ6
2014	830,000	4.000	2.050	64988VAR4
2015	865,000	4.000	2.550	64988VAS2
2016	900,000	4.000	2.900	64988VAT0
2017	935,000	4.000	3.150	64988VAU7
2018	975,000	4.000	3.400	64988VAV5
2019	1,015,000	4.000	3.625	64988VAW3
2020	1,055,000	5.000	3.730	64988VAX1
2021	1,115,000	5.000	3.780	64988VAY9
2022	1,165,000	5.000	3.840	64988VAZ6
2023	1,230,000	5.000	3.920	64988VBA0
2024	1,295,000	5.000	4.000	64988VBB8
2025	1,355,000	5.000	4.050	64988VBC6
2026	1,425,000	5.000	4.080	64988VBD4
2027	1,500,000	5.000	4.150	64988VBE2
2028	1,570,000	4.000	4.190	64988VBF9
2029	1,630,000	4.125	4.260	64988VBG7

$2,815,000 4.500% Term Bond due December 15, 2034, Yield 4.650% CUSIP [1] 64988VBH5

$3,275,000 Sub-Series 2009B2 (Federally Taxable – Build America Bonds)

$3,275,000 6.879% Term Bond due December 15, 2033, Price 100% CUSIP [1] 64988VCA9

$3,240,000 Sub-Series 2009B3 (Federally Taxable – Recovery Zone Bonds)

$3,240,000 6.879% Term Bond due December 15, 2034, Price 100% CUSIP [1] 64988VCE1

[1] CUSIP numbers have been assigned by an independent company not affiliated with the Agency and are included solely for the convenience of the holders of the Series 2009 Bonds. Neither the Agency nor the Underwriters are responsible for the selection or uses of these CUSIP numbers and no representation is made to their correctness on the Series 2009 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2009 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2009 Bonds.

$105,601,949 SERIES 2009C

Interest Due: The 15th day of February and August, beginning August 15, 2010

$97,171,949 Sub-Series 2009C1 (Tax-Exempt)

Due February 15	Amount	Interest Rate	Yield	CUSIP[1]
2011	$10,921,949	4.000%	1.150%	64988VBJ1
2012	11,050,000	4.000	1.500	64988VBK8
2013	11,060,000	5.000	1.800	64988VBL6
2014	9,890,000	5.000	2.230	64988VBM4
2015	9,680,000	5.000	2.720	64988VBN2
2016	7,555,000	5.000	3.110	64988VBP7
2017	7,065,000	5.000	3.410	64988VBQ5
2018	4,650,000	5.000	3.650	64988VBR3
2019	4,545,000	5.000	3.870	64988VBS1
2020	5,780,000	5.000	4.020	64988VBT9
2021	5,790,000	5.000	4.080	64988VBU6
2022	4,615,000	5.000	4.140	64988VBV4
2023	3,255,000	4.000	4.330	64988VBW2
2024	1,315,000	5.000	4.270	64988VBX0

$5,630,000 Sub-Series 2009C2 (Federally Taxable – Build America Bonds)

$3,940,000 5.411% Term Bond due February 15, 2019, Price 100% CUSIP [1] 64988VCB7
$1,690,000 6.879% Term Bond due February 15, 2028, Price 100% CUSIP [1] 64988VCC5

$2,800,000 Sub-Series 2009C3 (Federally Taxable – Recovery Zone Bonds)

$720,000 5.411% Bond due February 15, 2019, Price 100% CUSIP [1] 64988VCF8
$2,080,000 6.879% Term Bond due February 15, 2029, Price 100% CUSIP [1] 64988VCG6

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No dealer, broker, salesperson or other person has been authorized by the Agency, the Municipalities, or the Underwriters to give any information or to make any representations with respect to the Series 2009 Bonds or the Local ARRA Bonds from which the Series 2009 Bonds are payable, other than the information and representations contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by any of the foregoing.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Series 2009 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 or authorized by the Municipalities, DTC and other sources that the Agency and the Underwriters believe are reliable. The Agency does not guarantee the accuracy or completeness of such information, and such information is not to be construed as a representation of the Agency. See "PART 17 – SOURCES OF INFORMATION AND CERTIFICATIONS" of the Official Statement for a description of the various sources of information.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement pursuant to their responsibilities to investors under the federal securities law, but the Underwriters do not guarantee the accuracy or completeness of such information.

References in this Official Statement to the Act, the Master Resolution, the Series 2009 Resolution, the Agreements and the Local ARRA Bonds do not purport to be complete. Refer to the Act, the Master Resolution, the Series 2009 Resolution, the Agreements and the Local ARRA Bonds for full and complete details of their provisions. Copies of the Act, Master Resolution, the Series 2009 Resolution, the Agreements and the Local ARRA Bonds are on file with the Agency and/or the Trustee.

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

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

IN CONNECTION WITH THE OFFERING OF THE SERIES 2009 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF SUCH BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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THE STATE OF NEW YORK
MUNICIPAL BOND BANK AGENCY

OFFICIAL STATEMENT RELATING TO

$184,241,949
STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY
RECOVERY ACT BONDS

$47,350,000 SERIES 2009A	**$31,290,000 SERIES 2009B**	**$105,601,949 SERIES 2009C**
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PART 1 – INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page, inside cover pages and all appendices, is to provide information about the Agency and the Municipalities in connection with the offering by the Agency of (a) $47,350,000 aggregate principal amount of the Recovery Act Bonds, Series 2009A (the “Series 2009A Bonds”), which series is comprised of $35,090,000 Sub-Series 2009A1 Bonds (Tax-Exempt), $9,400,000 Sub-Series 2009A2 Bonds (Federally Taxable – Build America Bonds) and $2,860,000 Sub-Series 2009A3 Bonds (Federally Taxable – Recovery Zone Bonds), (b) $31,290,000 aggregate principal amount of the Recovery Act Bonds, Series 2009B (the “Series 2009B Bonds”), which series is comprised of $24,775,000 Sub-Series 2009B1 Bonds (Tax-Exempt), $3,275,000 Sub-Series 2009B2 Bonds (Federally Taxable – Build America Bonds) and $3,240,000 Sub-Series 2009B3 Bonds (Federally Taxable – Recovery Zone Bonds), and (c) $105,601,949 aggregate principal amount of the Recovery Act Bonds, Series 2009C (the “Series 2009C Bonds”), which series is comprised of $97,171,949 Sub-Series 2009C1 Bonds (Tax-Exempt), $5,630,000 Sub-Series 2009C2 Bonds (Federally Taxable – Build America Bonds) and $2,800,000 Sub-Series 2009C3 Bonds (Federally Taxable – Recovery Zone Bonds). The Series 2009A Bonds, the Series 2009B Bonds and the Series 2009C Bonds are referred to herein collectively as the “Series 2009 Bonds”.

The following is a brief description of certain information concerning the respective Series 2009 Bonds, the Agency and the Municipalities. A more complete description of such information and additional information that may affect decisions to invest in the Series 2009 Bonds is contained throughout this Official Statement, which should be read in its entirety. Certain terms used in this Official Statement are defined in Appendix A hereto. Certain information pertaining to the Municipalities is contained in Appendix B and Appendix C hereto.

Purpose of the Series 2009 Bonds

The Series 2009 Bonds are being issued and the proceeds of each Series will be used to: (i) purchase the Local ARRA Bonds which secure the applicable Series of the Series 2009 Bonds (each an “Applicable Series”), and (ii) pay the Costs of Issuance of the Applicable Series (See “PART 5 – ESTIMATED SOURCES AND USES OF FUNDS”).

The Municipalities

The Municipalities whose Local ARRA Bonds are being purchased by the Agency with proceeds of the Series 2009 Bonds are as follows:

Series 2009A
County of Saratoga
Town of Brookhaven

Series 2009B
County of Warren
County of Wayne

Series 2009C
County of Montgomery
City of Rochester

The principal amount of Local ARRA Bonds of each Municipality that are being purchased with the proceeds of the Series 2009 Bonds, the schedules of the principal requirements and annual debt service for the Local ARRA Bonds of each Municipality and the bond counsel and financial advisor for each Municipality are set forth in Appendix B. The Municipalities are located in different areas of the State, are of varying geographic and demographic size and have varying economic, financial and indebtedness characteristics. See "PART 5 – THE MUNICIPALITIES," "Appendix B – Municipalities and Local ARRA Bonds Purchased with Proceeds of the Series 2009 Bonds" and "Appendix C – Certain Economic and Financial Information on the Municipalities." The Agency has been advised that the financial statements for the most recent fiscal year of all of the Municipalities have been filed by the Municipalities, in electronic form, with the Electronic Municipal Market Access system (the "EMMA System") maintained by the Municipal Securities Rulemaking Board. Such financial statements are incorporated herein by reference. Below are links and base CUSIP numbers which will facilitate obtaining these financial statements.

County of Saratoga
URL: http://emma.msrb.org/EP328092-EP34299-.pdf
Base CUSIP: 803480[1]

Town of Brookhaven
URL: http://emma.msrb.org/EP362232-EP284930-.pdf
Base CUSIP: 113152[1]

County of Warren
URL: http://emma.msrb.org/EP337817-EP41229-.pdf
Base CUSIP: 935120[1]

County of Wayne
URL: http://emma.msrb.org/EP337809-EP41218-.pdf
Base CUSIP: 945829[1]

County of Montgomery
URL: http://emma.msrb.org/EP329739-EP35537-.pdf
Base CUSIP: 613443[1]

City of Rochester
URL: http://emma.msrb.org/EP363358-EP285538-.pdf
Base CUSIP: 771690[1]

Links and CUSIP numbers are being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2009 Bonds and the Agency makes no representation with respect to such information nor undertakes any responsibility for their accuracy now or at any time in the future.

Authorization of Issuance

Pursuant to the State of New York Municipal Bond Bank Agency Act, constituting Title 18 of Chapter VIII of Public Authorities Law (the "Act"), the Agency is authorized to (i) purchase "local ARRA bonds" defined under the Act as bonds issued by municipalities in the State to finance or refinance purposes eligible in whole or in part for subsidies under the American Recovery and Reinvestment Act of 2009 and (ii) issue its "recovery act bonds" as defined in the Act to obtain funds with which to purchase such local ARRA bonds. The Series 2009 Bonds

[1] CUSIP numbers have been assigned by an independent company not affiliated with the Agency and are included solely for the convenience of the holders of the Series 2009 Bonds. Neither the Agency nor the Underwriters are responsible for the selection or uses of these CUSIP numbers and no representation is made to their correctness or as indicated above.

constitute “recovery act bonds” as defined in the Act and the “Local ARRA Bonds” constitute “local ARRA bonds” as defined in the Act.

Each Municipality is required pursuant to its Agreement (as defined below) to sell and deliver its Local ARRA Bonds to the Agency for purchase by the Agency from proceeds of the Applicable Series of the Series 2009 Bonds. Each Applicable Series will be secured by the pledge and assignment to the Trustee of payments to be made only under the Local ARRA Bonds purchased with proceeds of such Applicable Series. The principal and redemption price of and interest on the Local ARRA Bonds securing an Applicable Series are scheduled to be sufficient to pay, when due, the principal and redemption price of and interest on such Applicable Series. The Local ARRA Bonds to be purchased from proceeds of an Applicable Series will be purchased pursuant to a separate Local ARRA Bond Purchase Agreement dated as of December 1, 2009 between the Agency and each Municipality (the “Agreement” and, collectively, the “Agreements”). Each Municipality also is required under its Agreement to pay certain fees and expenses of the Agency and the Trustee. See Appendix B for schedules of the principal payments and debt service schedule for the Local ARRA Bonds of each Municipality and how the payments on the Local ARRA Bonds relate to payment of the principal and Sinking Fund Installments of and interest on the Applicable Sub-Series of the Series 2009 Bonds, the proceeds of which were used to purchase the respective Local ARRA Bonds.

Each Municipality will pledge its full faith and credit to the payment of the principal of and interest on its Local ARRA Bonds and has the power and is required under State statutes to levy and collect ad valorem taxes without limit as to rate or amount on all taxable property within the Municipality for such payment.

No Municipality is obligated to make payments on behalf of any other Municipality nor are the payments of any Municipality pledged to secure the obligation of any other Municipality. A failure to make payment by any one Municipality under its Local ARRA Bonds could cause an Event of Default under the Master Resolution with respect to the Applicable Sub-Series secured by such Local ARRA Bonds, but would not cause an Event of Default under the Master Resolution with respect to any other Sub-Series of the Series 2009 Bonds. See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS.”

The Series 2009 Bonds are authorized under the Act and the Agency’s Master ARRA Recovery Act Bond Resolution adopted November 16, 2009 (the “Master Resolution”) and the Agency’s Series Resolution adopted November 16, 2009 (the “Series 2009 Resolution”). See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS.”

The Agency

The Agency is a body corporate and politic constituting a public benefit corporation of the State created by the Act. See “PART 8 – THE AGENCY.”

The Series 2009 Bonds

The Series 2009 Bonds will be dated their date of delivery and will bear interest from such date of delivery at the rates and will mature and pay interest on the dates set forth on the inside cover pages of this Official Statement. See “PART 3 – THE SERIES 2009 BONDS – Description of the Series 2009 Bonds.”

PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS

Set forth below is a narrative description of certain contractual and statutory provisions relating to the sources of payment and security for the Bonds, including each Series of the Series 2009 Bonds, issued under the Master Resolution. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Master Resolution, the Series 2009 Resolution, the Agreements and the Local ARRA Bonds for a more complete description of such provisions. Copies of the Act, the Master Resolution, the Series 2009 Resolution, each Agreement and the Local ARRA Bonds are on file with the Agency and/or the Trustee. See also “Appendix D – SUMMARY OF CERTAIN PROVISIONS OF THE LOCAL ARRA BOND

PURCHASE AGREEMENTS" and "Appendix E – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION" for a more complete statement of the rights, duties and obligations of the parties thereto.

Payment of and Security for the Series 2009 Bonds

Each Series of the Series 2009 Bonds will be special obligations of the Agency. The principal and Redemption Price of and interest on each Applicable Series are payable from the Applicable Revenues pledged to such Series 2009 Bonds. The Applicable Revenues with respect to each Applicable Series of the Series 2009 Bonds include (i) all amounts payable pursuant to the Local ARRA Bonds securing such Applicable Series and (ii) the right to receive the same and the proceeds thereof and of such right. The principal and redemption price of and interest on the Local ARRA Bonds securing an Applicable Series are scheduled to be sufficient to pay, when due, the principal of and redemption price of and interest on such Applicable Series. See Appendix B for schedules of the principal payments and debt service schedule for the Local ARRA Bonds of each Municipality and how the payments on the Local ARRA Bonds relate to payment of the principal and Sinking Fund Installments of and interest on the Applicable Sub-Series of the Series 2009 Bonds, the proceeds of which were used to purchase the respective Local ARRA Bonds. Each Municipality has the right to redeem or defease its Local ARRA Bonds at any time without the consent of the Agency or the Holders of the Series 2009 Bonds. The redemption or the defeasance of the Local ARRA Bonds will result in the defeasance or, if the Applicable Sub-Series of the Series 2009 Bonds are then subject to redemption, in the redemption of a like amount of the Applicable Sub-Series of the Series 2009 Bonds.

Pursuant to the Master Resolution, proceeds from the sale of an Applicable Series of Bonds, the Applicable Revenues, the Agency's security interest in the Applicable Pledged Revenues, if any, and all funds authorized under the Master Resolution and pursuant to an Applicable Series Resolution, other than an Applicable Arbitrage Rebate Fund and the Applicable Subsidy Fund, are pledged and assigned to the Trustee as security for the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Applicable Series of Bonds issued thereunder. There are no Pledged Revenues with respect to the Series 2009 Bonds.

Debt Service payments on Local ARRA Bonds securing each Series of the Series 2009 Bonds are to be paid by the Applicable Municipalities on the dates and in the amounts specified in the Local ARRA Bonds, which payment dates are at least 5 days prior to the dates on which principal and interest are next due on Series 2009 Bonds.

No Municipality will be responsible for the payment obligations of any other Municipality nor will the payments made by a Municipality under its Local ARRA Bonds be available to satisfy the obligation of any other Municipality. If a Municipality fails to pay amounts due under its Local ARRA Bonds, the Agency's sole recourse will be against the defaulting Municipality and no other Municipality. Further, upon the occurrence of a failure to make a payment on Local ARRA Bonds, neither the Agency nor the holders of the Series 2009 Bonds will have the right to accelerate the obligation of the defaulting Municipality under its Local ARRA Bonds.

Each Municipality's obligation to pay the amounts due under its respective Agreement is not subject to any defense (other than payment) or any rights of setoff, recoupment, abatement, counterclaim or deduction and will be without any rights of suspension, deferment, diminution or reduction it might otherwise have against the Agency, the Trustee or the owner of any Bond. The Series 2009 Bonds are **not** secured by any interest in any real property (including the capital facilities and equipment financed or refinanced by any Local ARRA Bonds) of any Municipality.

The Agency has covenanted for the benefit of the Holders of each Series of the Series 2009 Bonds that it will not create or cause to be created any lien or charge prior or equal to that of the Bonds of an Applicable Series on the proceeds from the sale of such Bonds, the Applicable Revenues, or the funds and accounts established hereby and pursuant to the Applicable Series Resolution which are pledged pursuant to the Master Resolution; provided, however, that such covenant will not prevent the Agency from issuing bonds, notes or other obligations under another and separate resolution so long as the charge or the lien created by such resolution is not prior or equal to the charge or lien created by the Master Resolution.

Issuance of Additional Bonds

In addition to the Series 2009 Bonds, the Master Resolution authorizes the issuance of other Series of Bonds for other municipalities and for specified purposes, including to refund Outstanding Bonds issued under the Master Resolution. Each Series of Bonds issued under the Master Resolution will be separately secured by the pledge and assignment of the Applicable Revenues, the Agency's interest in the Applicable Local ARRA Bonds and Pledged Revenues, if any, the proceeds from the sale of such Series of Bonds and all funds and accounts (with the exception of the Arbitrage Rebate Fund and the Subsidy Fund) authorized by the Applicable Series Resolution.

Enforcement Events and Remedies under the Agreements

Under each Agreement, the Agency may pursue the remedies described below upon the occurrence of the following events (each an "Enforcement Event"):

(a) Failure by the Municipality to pay or cause to be paid when due the amounts to be paid under the Local ARRA Bonds;

(b) The Municipality shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or any proceeding shall be instituted by or against the Municipality seeking to adjudicate it a bankrupt or insolvent, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it for any substantial part of its property; or the Municipality shall authorize any of the actions set forth in this paragraph (b);

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

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

(e) Any representation or warranty of the Municipality contained in an Agreement was at the time it was made untrue in any material respect.

Whenever any Enforcement Event has happened and is continuing, the Agency may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Municipality under an Agreement, including requiring payment to the Trustee of any State Aid otherwise payable to the Municipality by the State as provided in the Memorandum of Understanding by and between the Agency and the Comptroller of the State with respect to the intercept of State Aid, the exercise of any remedy authorized by Article VIII of the State Constitution with respect to obtaining payment on the Local ARRA Bonds and any other administrative enforcement action and actions for breach of contract.

In no event may the occurrence of an Enforcement Event cause an acceleration of the amounts due under the Local ARRA Bonds or the Series 2009 Bonds.

Default and Remedies under the Master Resolution

The Master Resolution prescribes a list of events that constitute an event of default under the Master Resolution (each an “Event of Default”). Each of the following constitutes an Event of Default under the Master Resolution:

(a) With respect to an Applicable Series of Bonds, payment of the principal, Sinking Fund Installments or Redemption Price of any such Bond is not made by the Agency when the same becomes due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) With respect to an Applicable Series of Bonds, payment of an installment of interest on any such Bond is not be made by the Agency when the becomes due and payable; or

(c) With respect to an Applicable Series of Bonds, the Agency defaults in the due and punctual performance of any covenants, if any, contained in the Series Resolution authorizing the issuance thereof to the effect that the Agency comply with the provisions of the Code applicable to such Bonds necessary to maintain the exclusion of interest thereon from gross income under Section 103 of the Code and not take any action which would adversely affect the exclusion of interest on such Bonds from gross income under Section 103 of the Code and, as a result thereof, the interest on the Bonds of such Series is no longer excludable from gross income under Section 103 of the Code; or

(d) With respect to an Applicable Series of Bonds, the Agency defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Master Resolution or in the Bonds of the Applicable Series or in the Applicable Series Resolution on the part of the Agency to be performed and such default continues for thirty (30) days after written notice specifying such default and requiring same to be remedied has been given to the Agency by the Trustee, which may give such notice in its discretion and must give such notice at the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of such Outstanding Bonds, unless, if such default is not capable of being cured within thirty (30) days, the Agency has commenced to cure such default within said thirty (30) days and diligently prosecutes the cure thereof.

An Event of Default under the Master Resolution in respect of an Applicable Series of Bonds will not in and of itself be or constitute an Event of Default in respect of any other Applicable Series of Bonds.

The Bonds, including the Series 2009 Bonds, are not subject to acceleration upon the occurrence of an Event of Default under the Master Resolution.

Upon the happening and continuance of any Event of Default, the Trustee may proceed, and upon the written request of the Applicable Facility Provider or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Applicable Series is required to proceed (in either case with the written consent of the Facility Provider for such Series) or, in the case of a happening and continuance of an event of default specified in paragraph (c) above, upon the written request of the Applicable Facility Provider or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Applicable Series with the written consent of the Facility Provider for such Series, is required to proceed, to protect and enforce its rights and the rights of the Bondholders or of such Facility Provider under the Master 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 in the Master Resolution or under the Applicable Series Resolution or in aid or execution of any power in the Master Resolution or therein granted, or for an accounting against the Agency as if the Agency 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 Master Resolution and under the Applicable Series Resolution the Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Agency for principal or interest or otherwise under any of the provisions of the Master Resolution or of the Applicable Series Resolution or of the Applicable Bonds, with interest on overdue payments of the principal of or interest on the Applicable 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 Master Resolution and under the Applicable Series Resolution and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds, and to recover and enforce judgment or decree against the Agency but solely as provided in the Master Resolution, in the Applicable Series Resolution and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable.

PART 3 – THE SERIES 2009 BONDS

General

The Series 2009 Bonds will not be a debt of the State of New York nor will the State be liable thereon. The Agency has no taxing power. See "PART 8 – THE AGENCY."

Description of the Series 2009 Bonds

The Series 2009 Bonds will be dated their date of delivery and will bear interest at the rates and mature and pay interest at the times set forth on the inside cover pages of this Official Statement.

The Series 2009 Bonds will be issued as fully registered bonds. The Series 2009 Bonds will be issued in denominations of $5,000 or any integral multiple thereof except one necessary odd denomination with respect to the Sub-Series 2009C1 Bonds maturing in 2011. The Series 2009 Bonds will be registered in the name of Cede & Co., as nominee of DTC, pursuant to DTC's Book-Entry Only System. Purchases of beneficial interests in the Series 2009 Bonds will be made in book-entry form, without certificates. If at any time the Series 2009 Bonds cease to be Book Entry Only Bonds, the Series 2009 Bonds will be exchangeable for other fully registered Series 2009 Bonds in any other authorized denominations of the same maturity without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Master Resolution.

So long as the Depository is the registered owner of the Series 2009 Bonds, The Bank of New York Mellon, the Trustee and Paying Agent, will pay all principal, Sinking Fund Installments or Redemption Price of, and interest on, the Series 2009 Bonds only to or upon the order of the Depository, and all such payments will be valid and effective to fully satisfy and discharge the Agency's obligations with respect to such principal, Sinking Fund Installments or Redemption Price and interest to the extent of the sum or sums so paid. 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 in this "PART 3 – Book-Entry Only System" and "Appendix E – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION."

Designation of Sub-Series 2009A2, Sub-Series 2009B2 and Sub-Series 2009C2 as "Build America Bonds"

The Agency intends to make irrevocable elections to treat the Sub-Series 2009A2 Bonds, the Sub-Series 2009B2 Bonds and the Sub-Series 2009C2 Bonds (collectively, the "Series 2009 Build America Bonds") as "Build America Bonds" under Section 54AA of the Internal Revenue Code of 1986, as amended (the "Code"), and specifically as Build America Bonds under Section 54AA(g) for which it will receive under Section 6431 of the Code a cash subsidy payment from the United States Treasury equal to thirty-five percent (35%) of the interest payable by the Agency on the Series 2009 Build America Bonds. It is expected that any cash subsidy payments received will be paid to the Municipalities. Such subsidy payments will not constitute Revenues under the Master Resolution, and will not be pledged as security for the Bonds, including the Series 2009 Bonds. See under this caption "Redemption Provisions – *Make Whole Extraordinary Optional Redemption of the Federally Taxable Series 2009 Bonds.*"

Designation of Sub-Series 2009A3, Sub-Series 2009B3 and Sub-Series 2009C3 as "Recovery Zone Economic Development Bonds"

The Agency intends to designate, and make irrevocable elections to treat, the Sub-Series 2009A3 Bonds, the Sub-Series 2009B3 Bonds and the Sub-Series 2009C3 Bonds (collectively, the "Series 2009 Recovery Zone Economic Development Zone Bonds") as "Recovery Zone Economic Development Bonds" as defined under 1400U-2 of the Code for which it will receive, pursuant to Sections 1400 U-2 and 6431of the Code, a cash subsidy payment from the United States Treasury equal to forty-five percent (45%) of the interest payable by the Agency on the Series 2009 Recovery Zone Economic Development Zone Bonds. It is expected that any cash subsidy payments received will be paid to the Municipalities. Such subsidy payments will not constitute Revenues under the Master Resolution, and will not be pledged as security for the Bonds, including the Series 2009 Bonds. See under this caption "Redemption Provisions – *Make Whole Extraordinary Optional Redemption of the Federally Taxable Series 2009 Bonds.*"

Redemption Provisions

The Series 2009 Bonds are subject to optional and mandatory redemption as described below.

Optional Redemption of the Series 2009 Bonds

The Series 2009A Bonds and the Series 2009B Bonds maturing on or before December 15, 2019 are not subject to optional redemption prior to maturity, other than the Make Whole Extraordinary Optional Redemption of the Federally Taxable Series 2009 Bonds (as defined below). The Series 2009A Bonds (other than the Sub-Series 2009A2 Bonds maturing in 2022) and the Series 2009B Bonds maturing after December 15, 2019 are subject to redemption prior to maturity on or after December 15, 2019 in any order of maturity, at the option of the Agency, as a whole or in part at any time, at a Redemption Price of 100% of the principal amount of the Applicable Sub-Series of the Series 2009A Bonds and Series 2009B Bonds, as the case may be, or portions thereof to be redeemed, plus accrued interest to the redemption date.

The Sub-Series 2009A2 Bonds maturing in 2022 are subject to redemption, at the option of the Agency, as a whole or in part at any time, at a Redemption Price equal to the greater of (i) 100% of the principal amount of the Sub-Series 2009A2 Bonds maturing in 2022 to be redeemed or (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Sub-Series 2009A2 Bonds maturing in 2022 to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Sub-Series 2009A2 Bonds maturing in 2022 are to be redeemed, discounted to the date on which the Sub-Series 2009A2 Bonds maturing in 2022 are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 25 basis points, plus, in each case, accrued and unpaid interest on the Sub-Series 2009A2 Bonds maturing in 2022 to be redeemed on the redemption date.

The Series 2009C Bonds maturing on or before February 15, 2020 are not subject to optional redemption prior to maturity, other than the Make Whole Extraordinary Optional Redemption of the Federally Taxable Series 2009 Bonds (as defined below). The Series 2009C Bonds maturing after February 15, 2020 are subject to redemption prior to maturity on or after February 15, 2020 in any order of maturity, at the option of the Agency, as a whole or in part at any time, at a Redemption Price of 100% of the principal amount of the Applicable Sub-Series of the Series 2009C Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

Make Whole Extraordinary Optional Redemption of the Federally Taxable Series 2009 Bonds

On or before December 15, 2019, the Sub-Series 2009A2 Bonds, the Sub-Series 2009A3 Bonds, the Sub-Series 2009B2 Bonds and the Sub-Series 2009B3 Bonds, and on or before February 15, 2020, the Sub-Series 2009C2 Bonds and the Sub-Series 2009C3 Bonds (the Sub-Series 2009A2 Bonds, the Sub-Series 2009A3 Bonds, the Sub-Series 2009B2 Bonds, the Sub-Series 2009B3 Bonds, the Sub-Series 2009C2 Bonds and the Sub-Series 2009C2 Bonds, collectively, the "Federally Taxable Series 2009 Bonds") are subject to redemption at any time prior to their maturity at the option of the Agency, with the consent of the Applicable Municipality, in whole or in part, upon the occurrence of an Extraordinary Event, at a redemption price (the "Extraordinary Optional Redemption

Price") equal to the greater of (i) 100% of the principal amount of the Federally Taxable Series 2009 Bonds to be redeemed or (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Federally Taxable Series 2009 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Federally Taxable Series 2009 Bonds are to be redeemed, discounted to the date on which the Federally Taxable Series 2009 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 100 basis points, plus, in each case, accrued and unpaid interest on the Federally Taxable Series 2009 Bonds to be redeemed on the redemption date.

An "Extraordinary Event" will have occurred with respect to the Series 2009 Build America Bonds if (a) Sections 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the American Recovery and Reinvestment Act of 2009, pertaining to "Build America Bonds") is modified or amended in a manner pursuant to which the Agency's 35% cash subsidy payment from the United States Treasury is reduced or eliminated, or (b) guidance published by the Internal Revenue Service or the United States Treasury with respect to such Sections imposes one or more substantive new conditions on the receipt of such 35% cash subsidy payments and such condition(s) are unacceptable to the Applicable Municipality.

An "Extraordinary Event" will have occurred with respect to the Series 2009 Recovery Zone Economic Development Bonds if (a) Sections 54AA or 6431 of the Code (as such Sections were amended by Section 1400U-2 of the American Recovery and Reinvestment Act of 2009, pertaining to "Recovery Zone Economic Development Bonds") is modified or amended in a manner pursuant to which the Agency's 45% cash subsidy payment from the United States Treasury is reduced or eliminated, or (b) guidance published by the Internal Revenue Service or the United States Treasury with respect to such Sections imposes one or more substantive new conditions on the receipt of such 45% cash subsidy payments and such condition(s) are unacceptable to the Applicable Municipality.

Definitions for purpose of determining the Extraordinary Optional Redemption Price and the Optional Redemption Price of the Sub-Series 2009A2 Bonds maturing December 15, 2022

"Treasury Rate" means, with respect to any redemption date for a particular Sub-series of the Federally Taxable Series 2009 Bonds, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue (defined below), assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price (defined below), as calculated by the Designated Investment Banker (defined below).

"Comparable Treasury Issue" means, with respect to any redemption date for a particular Sub-Series of the Federally Taxable Series 2009 Bonds, the United States Treasury security or securities selected by the Designated Investment Banker that has an actual or interpolated maturity comparable to the remaining average life of the Bonds to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the particular Bonds to be redeemed.

"Comparable Treasury Price" means, with respect to any redemption date for a particular Sub-Series of the Federally Taxable Series 2009 Bonds, (i) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations (defined below), the average of such quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

"Designated Investment Banker" means one of the Reference Treasury Dealers appointed by the Agency.

"Reference Treasury Dealer" means each of the four firms, specified by the Agency from time to time, that are primary United States government securities dealers in The City of New York (each a "Primary Treasury Dealer"); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the Agency will substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date for a particular Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 P.M., New York City time, on the date specified in the redemption notice, which date shall be no earlier than four days after the date of the redemption notice and no later than four days preceding such redemption date.

The Sub-Series 2009A2 Bonds maturing on December 15, 2022 and December 15, 2024 are subject to mandatory sinking fund redemption, in part, on December 15 of each of the years and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount thereof, 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 amounts of Sub-Series 2009A2 Bonds specified for each of the dates shown below:

Sub-Series 2009A2 Bonds
Maturing December 15, 2022

Year	Principal Amount
2021	$2,300,000
2022†	2,300,000

Sub-Series 2009A2 Bonds
Maturing December 15, 2024

Year	Principal Amount
2023	$2,400,000
2024†	2,400,000

† Stated maturity.

The Sub-Series 2009A3 Bonds maturing on December 15, 2029 are subject to mandatory sinking fund redemption, in part, on December 15 of each of the years and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount thereof, 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 amounts of Sub-Series 2009A3 Bonds specified for each of the dates shown below:

Sub-Series 2009A3 Bonds
Maturing December 15, 2029

Year	Principal Amount
2021	$275,000
2022	285,000
2023	295,000
2024	305,000
2025	315,000
2026	330,000
2027	340,000
2028	350,000
2029†	365,000

† Stated maturity.

The Sub-Series 2009B1 Bonds maturing on December 15, 2034 are subject to mandatory sinking fund redemption, in part, on December 15 of each of the years and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount thereof, 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 amounts of Sub-Series 2009B1 Bonds specified for each of the dates shown below:

Sub-Series 2009B1 Bonds
Maturing December 15, 2034

Year	Principal Amount
2030	$515,000
2031	535,000
2032	560,000
2033	590,000
2034†	615,000

† Stated maturity.

The Sub-Series 2009B2 Bonds maturing on December 15, 2033 are subject to mandatory sinking fund redemption, in part, on December 15 of each of the years and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount thereof, 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 amounts of Sub-Series 2009B2 Bonds specified for each of the dates shown below:

Sub-Series 2009B2 Bonds
Maturing December 15, 2033

Year	Principal Amount
2030	$1,190,000
2031	1,195,000
2032	585,000
2033†	305,000

† Stated maturity.

The Sub-Series 2009B3 Bonds maturing on December 15, 2034 are subject to mandatory sinking fund redemption, in part, on December 15 of each of the years and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount thereof, 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 amounts of Sub-Series 2009B3 Bonds specified for each of the dates shown below:

Sub-Series 2009B3 Bonds
Maturing December 15, 2034

Year	Principal Amount
2031	$ 50,000
2032	715,000
2033	1,055,000
2034†	1,420,000

† Stated maturity.

The Sub-Series 2009C2 Bonds maturing on February 15, 2019 and February 15, 2028 are subject to mandatory sinking fund redemption, in part, on February 15 of each of the years and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount thereof, 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 amounts of Sub-Series 2009C2 Bonds specified for each of the dates shown below:

Sub-Series 2009C2 Bonds Maturing February 15, 2019

Year	Principal Amount
2018	$2,340,000
2019†	1,600,000

Sub-Series 2009C2 Bonds Maturing February 15, 2028

Year	Principal Amount
2025	$485,000
2026	510,000
2027	530,000
2028†	165,000

† Stated maturity.

The Sub-Series 2009C3 Bonds February 15, 2029 are subject to mandatory sinking fund redemption, in part, on February 15 of each of the years and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount thereof, 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 amounts of Sub-Series 2009C3 Bonds specified for each of the dates shown below:

Sub-Series 2009C3 Bonds Maturing February 15, 2029

Year	Principal Amount
2020	$230,000
2021	235,000
2022	235,000
2023	205,000
2024	205,000
2028	390,000
2029†	580,000

† Stated maturity.

Selection of Federally Tax-Exempt Series 2009 Bonds to Be Redeemed

In the case of redemptions of the Sub-Series 2009A1 Bonds, Sub-Series 2009B1 Bonds and the Sub-Series 2009C1 Bonds (collectively, the "Federally Tax-Exempt Series 2009 Bonds") at the option of the Agency, the Agency will select the Sub-Series and maturities of the Sub-Series 2009 Bonds to be redeemed.

If less than all of a Sub-Series of the Federally Tax-Exempt Series 2009 Bonds of a maturity are to be redeemed, the Paying Agent shall assign to each Outstanding Bond of the Sub-Series of the Federally Tax-Exempt Series 2009 Bonds and maturity to be redeemed a distinctive number for each unit of the principal amount of such Federally Tax-Exempt Series 2009 Bonds Bond equal to the lowest denomination in which the Federally Tax-Exempt Series 2009 Bonds 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 Federally Tax-Exempt Series 2009 Bonds are authorized to be issued for each number, shall equal the principal amount of such Federally Tax-Exempt Series 2009 Bonds to be redeemed.

Selection of Federally Taxable Series 2009 Bonds to Be Redeemed

If the Federally Taxable Series 2009 Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of a Sub-Series of the Federally Taxable Series 2009 Bonds shall be allocated among the registered owners of the Sub-Series of such Federally Taxable Series 2009 Bonds as nearly as practicable in proportion to the principal amounts of the Sub-Series of the Federally Taxable Series 2009 Bonds owned by each registered owner, subject to the authorized denominations applicable to the Federally Taxable Series 2009 Bonds. This will be calculated based on the following formula:

$$\frac{\text{(principal amount to be redeemed) x (principal amount owned by owner)}}{\text{(principal amount outstanding)}}$$

The particular Federally Taxable Series 2009 Bonds of the Sub-Series to be redeemed shall be determined by the Trustee, using such method as it shall deem fair and appropriate. If the Federally Taxable Series 2009 Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the Federally Taxable Series 2009 Bonds, partial redemptions will be done in accordance with DTC procedures. It is the Agency's intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Agency and the Beneficial Owners be made in accordance with these same proportional provisions. However, the Agency can provide no assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions among Beneficial Owners on such a proportional basis. See, however, "PART 4 – BOOK ENTRY ONLY SYSTEM" herein regarding DTC's practice of determining by lot the amount of the interest of each Direct Participant for partial bond redemptions.

Notice of Redemption

Any notice of optional redemption of a Sub-Series of the Series 2009 Bonds may state that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price of such Sub-Series of the Series 2009 Bonds or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such Redemption Price if any such condition so specified is not satisfied or if any such other event occurs; provided, however, that with respect to any conditional notice given to Bondholders in connection with a Make Whole Extraordinary Optional Redemption of all or a portion of the Federally Taxable Series 2009 Bonds, upon the determination of the Extraordinary Optional Redemption Price by the Designated Investment Banker, such redemption shall only be conditioned upon the issuance of refunding bonds pursuant to a contract of purchase that has been executed in connection therewith. Under the Resolutions, the Trustee is required to provide (i) notice of any rescission or failure to meet any such condition or other such event as promptly as practicable after the failure of such condition or the occurrence of such other event, and (ii) notice of the Extraordinary Optional Redemption Price as promptly as practicable after its determination.

When the Trustee shall have received notice from the Agency that Series 2009 Bonds are to be redeemed, the Trustee shall give notice, in the name of the Agency, of the redemption of such Sub-Series of the Series 2009 Bonds, which notice shall specify the Sub-Series of the Series 2009 Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Sub-Series of the Series 2009 Bonds of any like maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Sub-Series of the Series 2009 Bonds to be redeemed, and in the case of Sub-Series of the Series 2009 Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed.

Such notice shall further state that on the redemption date there shall become due and payable upon each Sub-Series of the Series 2009 Bond or portion thereof to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable on the Sub-Series of the Series 2009 Bonds or portions thereof to be redeemed.

Notice of any redemption shall be mailed by the Trustee, postage prepaid, no more than 45 days and no less than 20 days before the redemption date, to the Owners of any Sub-Series of the Series 2009 Bonds or portions of Sub-Series of the Series 2009 Bonds which are to be redeemed, at their last address, if any appearing upon the registry books.

Principal and Interest Requirements on the Series 2009 Bonds

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2009A Bonds. For information on the Local ARRA Bonds payments related to the Series 2009A Bonds and individual Sub-Series, see Appendix B.

Series 2009A
Schedule of Projected Debt Service Repayments

	Series 2009A1 (Tax-Exempt)			Series 2009A2 (Federally Taxable - Build America Bonds)			Series 2009A3 (Federally Taxable - Recovery Zone Bonds)			Total Series 2009A Bonds		
Maturity	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
06/15/10	$ -	$ 660,229	$ 660,229	$ -	$ 233,353	$ 233,353	$ -	$ 84,601	$ 84,601	$ -	$ 978,183	$ 978,183
12/15/10	175,000	720,250	895,250	-	254,567	254,567	-	92,292	92,292	175,000	1,067,109	1,242,109
06/15/11	-	718,500	718,500	-	254,567	254,567	-	92,292	92,292	-	1,065,359	1,065,359
12/15/11	4,380,000	718,500	5,098,500	-	254,567	254,567	-	92,292	92,292	4,380,000	1,065,359	5,445,359
06/15/12	-	669,225	669,225	-	254,567	254,567	-	92,292	92,292	-	1,016,084	1,016,084
12/15/12	4,585,000	669,225	5,254,225	-	254,567	254,567	-	92,292	92,292	4,585,000	1,016,084	5,601,084
06/15/13	-	577,525	577,525	-	254,567	254,567	-	92,292	92,292	-	924,384	924,384
12/15/13	5,090,000	577,525	5,667,525	-	254,567	254,567	-	92,292	92,292	5,090,000	924,384	6,014,384
06/15/14	-	475,725	475,725	-	254,567	254,567	-	92,292	92,292	-	822,584	822,584
12/15/14	5,400,000	475,725	5,875,725	-	254,567	254,567	-	92,292	92,292	5,400,000	822,584	6,222,584
06/15/15	-	367,725	367,725	-	254,567	254,567	-	92,292	92,292	-	714,584	714,584
12/15/15	2,475,000	367,725	2,842,725	-	254,567	254,567	-	92,292	92,292	2,475,000	714,584	3,189,584
06/15/16	-	318,225	318,225	-	254,567	254,567	-	92,292	92,292	-	665,084	665,084
12/15/16	2,515,000	318,225	2,833,225	-	254,567	254,567	-	92,292	92,292	2,515,000	665,084	3,180,084
06/15/17	-	255,350	255,350	-	254,567	254,567	-	92,292	92,292	-	602,209	602,209
12/15/17	2,625,000	255,350	2,880,350	-	254,567	254,567	-	92,292	92,292	2,625,000	602,209	3,227,209
06/15/18	-	189,725	189,725	-	254,567	254,567	-	92,292	92,292	-	536,584	536,584
12/15/18	2,635,000	189,725	2,824,725	-	254,567	254,567	-	92,292	92,292	2,635,000	536,584	3,171,584
06/15/19	-	123,850	123,850	-	254,567	254,567	-	92,292	92,292	-	470,709	470,709
12/15/19	2,650,000	123,850	2,773,850	-	254,567	254,567	-	92,292	92,292	2,650,000	470,709	3,120,709
06/15/20	-	57,600	57,600	-	254,567	254,567	-	92,292	92,292	-	404,459	404,459
12/15/20	2,560,000	57,600	2,617,600	-	254,567	254,567	-	92,292	92,292	2,560,000	404,459	2,964,459
06/15/21	-	-	-	-	254,567	254,567	-	92,292	92,292	-	346,859	346,859
12/15/21	-	-	-	2,300,000	254,567	2,554,567	275,000	92,292	367,292	2,575,000	346,859	2,921,859
06/15/22	-	-	-	-	195,216	195,216	-	83,418	83,418	-	278,633	278,633
12/15/22	-	-	-	2,300,000	195,216	2,495,216	285,000	83,418	368,418	2,585,000	278,633	2,863,633
06/15/23	-	-	-	-	135,864	135,864	-	74,221	74,221	-	210,085	210,085
12/15/23	-	-	-	2,400,000	135,864	2,535,864	295,000	74,221	369,221	2,695,000	210,085	2,905,085
06/15/24	-	-	-	-	67,932	67,932	-	64,701	64,701	-	132,633	132,633
12/15/24	-	-	-	2,400,000	67,932	2,467,932	305,000	64,701	369,701	2,705,000	132,633	2,837,633
06/15/25	-	-	-	-	-	-	-	54,859	54,859	-	54,859	54,859
12/15/25	-	-	-	-	-	-	315,000	54,859	369,859	315,000	54,859	369,859
06/15/26	-	-	-	-	-	-	-	44,694	44,694	-	44,694	44,694
12/15/26	-	-	-	-	-	-	330,000	44,694	374,694	330,000	44,694	374,694
06/15/27	-	-	-	-	-	-	-	34,045	34,045	-	34,045	34,045
12/15/27	-	-	-	-	-	-	340,000	34,045	374,045	340,000	34,045	374,045
06/15/28	-	-	-	-	-	-	-	23,073	23,073	-	23,073	23,073
12/15/28	-	-	-	-	-	-	350,000	23,073	373,073	350,000	23,073	373,073
06/15/29	-	-	-	-	-	-	-	11,779	11,779	-	11,779	11,779
12/15/29	-	-	-	-	-	-	365,000	11,779	376,779	365,000	11,779	376,779
06/15/30	-	-	-	-	-	-	-	-	-	-	-	-
12/15/30	-	-	-	-	-	-	-	-	-	-	-	-
06/15/31	-	-	-	-	-	-	-	-	-	-	-	-
12/15/31	-	-	-	-	-	-	-	-	-	-	-	-
06/15/32	-	-	-	-	-	-	-	-	-	-	-	-
12/15/32	-	-	-	-	-	-	-	-	-	-	-	-
06/15/33	-	-	-	-	-	-	-	-	-	-	-	-
12/15/33	-	-	-	-	-	-	-	-	-	-	-	-
06/15/34	-	-	-	-	-	-	-	-	-	-	-	-
12/15/34	-	-	-	-	-	-	-	-	-	-	-	-
06/15/35	-	-	-	-	-	-	-	-	-	-	-	-
12/15/35	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 35,090,000**	**$ 8,887,379**	**$ 43,977,379**	**$ 9,400,000**	**$ 6,886,417**	**$ 16,286,417**	**$ 2,860,000**	**$ 2,988,901**	**$ 5,848,901**	**$ 47,350,000**	**$ 18,762,697**	**$ 66,112,697.42**

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2009B Bonds. For information on the Local ARRA Bonds payments related to the Series 2009B Bonds and individual Sub-Series, see Appendix B.

Series 2009B
Schedule of Projected Debt Service Repayments

	Series 2009B1 (Tax-Exempt)			Series 2009B2 (Federally Taxable - Build America Bonds)			Series 2009B3 (Federally Taxable - Recovery Zone Bonds)			Total Series 2009B Bonds		
Maturity	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
06/15/10	$ -	$ 488,669	$ 488,669	$ -	$ 103,257	$ 103,257	$ -	$ 102,153	$ 102,153	$ -	$ 694,079	$ 694,079
12/15/10	750,000	533,094	1,283,094	-	112,644	112,644	-	111,440	111,440	750,000	757,177	1,507,177
06/15/11	-	525,594	525,594	-	112,644	112,644	-	111,440	111,440	-	749,677	749,677
12/15/11	765,000	525,594	1,290,594	-	112,644	112,644	-	111,440	111,440	765,000	749,677	1,514,677
06/15/12	-	516,031	516,031	-	112,644	112,644	-	111,440	111,440	-	740,115	740,115
12/15/12	780,000	516,031	1,296,031	-	112,644	112,644	-	111,440	111,440	780,000	740,115	1,520,115
06/15/13	-	504,331	504,331	-	112,644	112,644	-	111,440	111,440	-	728,415	728,415
12/15/13	805,000	504,331	1,309,331	-	112,644	112,644	-	111,440	111,440	805,000	728,415	1,533,415
06/15/14	-	492,256	492,256	-	112,644	112,644	-	111,440	111,440	-	716,340	716,340
12/15/14	830,000	492,256	1,322,256	-	112,644	112,644	-	111,440	111,440	830,000	716,340	1,546,340
06/15/15	-	475,656	475,656	-	112,644	112,644	-	111,440	111,440	-	699,740	699,740
12/15/15	865,000	475,656	1,340,656	-	112,644	112,644	-	111,440	111,440	865,000	699,740	1,564,740
06/15/16	-	458,356	458,356	-	112,644	112,644	-	111,440	111,440	-	682,440	682,440
12/15/16	900,000	458,356	1,358,356	-	112,644	112,644	-	111,440	111,440	900,000	682,440	1,582,440
06/15/17	-	440,356	440,356	-	112,644	112,644	-	111,440	111,440	-	664,440	664,440
12/15/17	935,000	440,356	1,375,356	-	112,644	112,644	-	111,440	111,440	935,000	664,440	1,599,440
06/15/18	-	421,656	421,656	-	112,644	112,644	-	111,440	111,440	-	645,740	645,740
12/15/18	975,000	421,656	1,396,656	-	112,644	112,644	-	111,440	111,440	975,000	645,740	1,620,740
06/15/19	-	402,156	402,156	-	112,644	112,644	-	111,440	111,440	-	626,240	626,240
12/15/19	1,015,000	402,156	1,417,156	-	112,644	112,644	-	111,440	111,440	1,015,000	626,240	1,641,240
06/15/20	-	381,856	381,856	-	112,644	112,644	-	111,440	111,440	-	605,940	605,940
12/15/20	1,055,000	381,856	1,436,856	-	112,644	112,644	-	111,440	111,440	1,055,000	605,940	1,660,940
06/15/21	-	355,481	355,481	-	112,644	112,644	-	111,440	111,440	-	579,565	579,565
12/15/21	1,115,000	355,481	1,470,481	-	112,644	112,644	-	111,440	111,440	1,115,000	579,565	1,694,565
06/15/22	-	327,606	327,606	-	112,644	112,644	-	111,440	111,440	-	551,690	551,690
12/15/22	1,165,000	327,606	1,492,606	-	112,644	112,644	-	111,440	111,440	1,165,000	551,690	1,716,690
06/15/23	-	298,481	298,481	-	112,644	112,644	-	111,440	111,440	-	522,565	522,565
12/15/23	1,230,000	298,481	1,528,481	-	112,644	112,644	-	111,440	111,440	1,230,000	522,565	1,752,565
06/15/24	-	267,731	267,731	-	112,644	112,644	-	111,440	111,440	-	491,815	491,815
12/15/24	1,295,000	267,731	1,562,731	-	112,644	112,644	-	111,440	111,440	1,295,000	491,815	1,786,815
06/15/25	-	235,356	235,356	-	112,644	112,644	-	111,440	111,440	-	459,440	459,440
12/15/25	1,355,000	235,356	1,590,356	-	112,644	112,644	-	111,440	111,440	1,355,000	459,440	1,814,440
06/15/26	-	201,481	201,481	-	112,644	112,644	-	111,440	111,440	-	425,565	425,565
12/15/26	1,425,000	201,481	1,626,481	-	112,644	112,644	-	111,440	111,440	1,425,000	425,565	1,850,565
06/15/27	-	165,856	165,856	-	112,644	112,644	-	111,440	111,440	-	389,940	389,940
12/15/27	1,500,000	165,856	1,665,856	-	112,644	112,644	-	111,440	111,440	1,500,000	389,940	1,889,940
06/15/28	-	128,356	128,356	-	112,644	112,644	-	111,440	111,440	-	352,440	352,440
12/15/28	1,570,000	128,356	1,698,356	-	112,644	112,644	-	111,440	111,440	1,570,000	352,440	1,922,440
06/15/29	-	96,956	96,956	-	112,644	112,644	-	111,440	111,440	-	321,040	321,040
12/15/29	1,630,000	96,956	1,726,956	-	112,644	112,644	-	111,440	111,440	1,630,000	321,040	1,951,040
06/15/30	-	63,338	63,338	-	112,644	112,644	-	111,440	111,440	-	287,421	287,421
12/15/30	515,000	63,338	578,338	1,190,000	112,644	1,302,644	-	111,440	111,440	1,705,000	287,421	1,992,421
06/15/31	-	51,750	51,750	-	71,714	71,714	-	111,440	111,440	-	234,903	234,903
12/15/31	535,000	51,750	586,750	1,195,000	71,714	1,266,714	50,000	111,440	161,440	1,780,000	234,903	2,014,903
06/15/32	-	39,713	39,713	-	30,612	30,612	-	109,720	109,720	-	180,044	180,044
12/15/32	560,000	39,713	599,713	585,000	30,612	615,612	715,000	109,720	824,720	1,860,000	180,044	2,040,044
06/15/33	-	27,113	27,113	-	10,490	10,490	-	85,128	85,128	-	122,731	122,731
12/15/33	590,000	27,113	617,113	305,000	10,490	315,490	1,055,000	85,128	1,140,128	1,950,000	122,731	2,072,731
06/15/34	-	13,838	13,838	-	-	-	-	48,841	48,841	-	62,678	62,678
12/15/34	615,000	13,838	628,838	-	-	-	1,420,000	48,841	1,468,841	2,035,000	62,678	2,097,678
06/15/35	-	-	-	-	-	-	-	-	-	-	-	-
12/15/35	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 24,775,000**	**$ 14,804,376**	**$ 39,579,376**	**$ 3,275,000**	**$ 4,947,277**	**$ 8,222,277**	**$ 3,240,000**	**$ 5,381,442**	**$ 8,621,442**	**$ 31,290,000**	**$ 25,133,094**	**$ 56,423,094**

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2009C Bonds. For information on the Local ARRA Bonds payments related to the Series 2009C Bonds and individual Sub-Series, see Appendix B.

Series 2009C
Schedule of Projected Debt Service Repayments

	Series 2009C1 (Tax-Exempt)			Series 2009C2 (Federally Taxable - Build America Bonds)			Series 2009C3 (Federally Taxable - Recovery Zone Bonds)			Total Series 2009C Bonds		
Maturity	**Principal**	**Interest**	**Total Debt Service**	**Principal**	**Interest**	**Total Debt Service**	**Principal**	**Interest**	**Total Debt Service**	**Principal**	**Interest**	**Total Debt Service**
02/15/10	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
08/15/10	-	2,878,955	2,878,955	-	205,905	205,905	-	113,777	113,777	-	3,198,637	3,198,637
02/15/11	10,921,949	2,303,164	13,225,113	-	164,724	164,724	-	91,021	91,021	10,921,949	2,558,909	13,480,858
08/15/11	-	2,084,725	2,084,725	-	164,724	164,724	-	91,021	91,021	-	2,340,470	2,340,470
02/15/12	11,050,000	2,084,725	13,134,725	-	164,724	164,724	-	91,021	91,021	11,050,000	2,340,470	13,390,470
08/15/12	-	1,863,725	1,863,725	-	164,724	164,724	-	91,021	91,021	-	2,119,470	2,119,470
02/15/13	11,060,000	1,863,725	12,923,725	-	164,724	164,724	-	91,021	91,021	11,060,000	2,119,470	13,179,470
08/15/13	-	1,587,225	1,587,225	-	164,724	164,724	-	91,021	91,021	-	1,842,970	1,842,970
02/15/14	9,890,000	1,587,225	11,477,225	-	164,724	164,724	-	91,021	91,021	9,890,000	1,842,970	11,732,970
08/15/14	-	1,339,975	1,339,975	-	164,724	164,724	-	91,021	91,021	-	1,595,720	1,595,720
02/15/15	9,680,000	1,339,975	11,019,975	-	164,724	164,724	-	91,021	91,021	9,680,000	1,595,720	11,275,720
08/15/15	-	1,097,975	1,097,975	-	164,724	164,724	-	91,021	91,021	-	1,353,720	1,353,720
02/15/16	7,555,000	1,097,975	8,652,975	-	164,724	164,724	-	91,021	91,021	7,555,000	1,353,720	8,908,720
08/15/16	-	909,100	909,100	-	164,724	164,724	-	91,021	91,021	-	1,164,845	1,164,845
02/15/17	7,065,000	909,100	7,974,100	-	164,724	164,724	-	91,021	91,021	7,065,000	1,164,845	8,229,845
08/15/17	-	732,475	732,475	-	164,724	164,724	-	91,021	91,021	-	988,220	988,220
02/15/18	4,650,000	732,475	5,382,475	2,340,000	164,724	2,504,724	-	91,021	91,021	6,990,000	988,220	7,978,220
08/15/18	-	616,225	616,225	-	101,416	101,416	-	91,021	91,021	-	808,662	808,662
02/15/19	4,545,000	616,225	5,161,225	1,600,000	101,416	1,701,416	720,000	91,021	811,021	6,865,000	808,662	7,673,662
08/15/19	-	502,600	502,600	-	58,128	58,128	-	71,542	71,542	-	632,269	632,269
02/15/20	5,780,000	502,600	6,282,600	-	58,128	58,128	230,000	71,542	301,542	6,010,000	632,269	6,642,269
08/15/20	-	358,100	358,100	-	58,128	58,128	-	63,631	63,631	-	479,858	479,858
02/15/21	5,790,000	358,100	6,148,100	-	58,128	58,128	235,000	63,631	298,631	6,025,000	479,858	6,504,858
08/15/21	-	213,350	213,350	-	58,128	58,128	-	55,548	55,548	-	327,025	327,025
02/15/22	4,615,000	213,350	4,828,350	-	58,128	58,128	235,000	55,548	290,548	4,850,000	327,025	5,177,025
08/15/22	-	97,975	97,975	-	58,128	58,128	-	47,465	47,465	-	203,568	203,568
02/15/23	3,255,000	97,975	3,352,975	-	58,128	58,128	205,000	47,465	252,465	3,460,000	203,568	3,663,568
08/15/23	-	32,875	32,875	-	58,128	58,128	-	40,414	40,414	-	131,417	131,417
02/15/24	1,315,000	32,875	1,347,875	-	58,128	58,128	205,000	40,414	245,414	1,520,000	131,417	1,651,417
08/15/24	-	-	-	-	58,128	58,128	-	33,363	33,363	-	91,491	91,491
02/15/25	-	-	-	485,000	58,128	543,128	-	33,363	33,363	485,000	91,491	576,491
08/15/25	-	-	-	-	41,446	41,446	-	33,363	33,363	-	74,809	74,809
02/15/26	-	-	-	510,000	41,446	551,446	-	33,363	33,363	510,000	74,809	584,809
08/15/26	-	-	-	-	23,905	23,905	-	33,363	33,363	-	57,268	57,268
02/15/27	-	-	-	530,000	23,905	553,905	-	33,363	33,363	530,000	57,268	587,268
08/15/27	-	-	-	-	5,675	5,675	-	33,363	33,363	-	39,038	39,038
02/15/28	-	-	-	165,000	5,675	170,675	390,000	33,363	423,363	555,000	39,038	594,038
08/15/28	-	-	-	-	-	-	-	19,949	19,949	-	19,949	19,949
02/15/29	-	-	-	-	-	-	580,000	19,949	599,949	580,000	19,949	599,949
08/15/29	-	-	-	-	-	-	-	-	-	-	-	-
02/15/30	-	-	-	-	-	-	-	-	-	-	-	-
08/15/30	-	-	-	-	-	-	-	-	-	-	-	-
02/15/31	-	-	-	-	-	-	-	-	-	-	-	-
08/15/31	-	-	-	-	-	-	-	-	-	-	-	-
02/15/32	-	-	-	-	-	-	-	-	-	-	-	-
08/15/32	-	-	-	-	-	-	-	-	-	-	-	-
02/15/33	-	-	-	-	-	-	-	-	-	-	-	-
08/15/33	-	-	-	-	-	-	-	-	-	-	-	-
02/15/34	-	-	-	-	-	-	-	-	-	-	-	-
08/15/34	-	-	-	-	-	-	-	-	-	-	-	-
02/15/35	-	-	-	-	-	-	-	-	-	-	-	-
08/15/35	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 97,171,949**	**$ 28,054,769**	**$ 125,226,718**	**$ 5,630,000**	**$ 3,719,182**	**$ 9,349,182**	**$ 2,800,000**	**$ 2,525,139**	**$ 5,325,139**	**$ 105,601,949**	**$ 34,299,091**	**$ 139,901,040**

PART 4 – BOOK-ENTRY ONLY SYSTEM

Beneficial ownership interests in the Series 2009 Bonds will be available in book-entry only form. Purchasers of beneficial ownership interests in the Agency's bonds and notes will not receive certificates representing their interests in the securities purchased. Purchasers may hold beneficial interests in the Series 2009 Bonds in the United States through DTC.

Book-Entry Only System

The following information concerning DTC and DTC's book-entry system has been obtained from sources that the Agency and the Underwriters believe to be reliable, but neither the Agency nor the Underwriters take responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2009 Bonds. References to the Series 2009 Bonds under this caption "Book-Entry Only System" shall mean all Series 2009 Bonds, the beneficial interests in which are owned in the United States. The Series 2009 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 2009 Bond certificate will be issued for each maturity of each Sub-Series of the Series 2009 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, and 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 and www.dtc.org.

Purchases of Series 2009 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2009 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2009 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 2009 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 2009 Bonds, except in the event that use of the book-entry system for the Series 2009 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2009 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2009 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 2009 Bonds; DTC's records reflect only the identity of the Direct

Participants to whose accounts such Series 2009 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 2009 Bonds within a Sub-Series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2009 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Agency 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 2009 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2009 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 the Agency 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 the Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Agency 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.

The Agency and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2009 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2009 Bonds, giving any notice permitted or required to be given to registered owners under the Master Resolution, registering the transfer of the Series 2009 Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Agency and the Trustee shall not have any responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Series 2009 Bonds under or through DTC or any Direct or Indirect Participant, or any other person which is not shown on the registration books of the Agency (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal, redemption premium, if any, or interest on the Series 2009 Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by the Agency; or other action taken by DTC as registered owner. Interest, redemption premium, if any, and principal will be paid by the Trustee to DTC, or its nominee. Disbursement of such payments to the Direct or Indirect Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct or Indirect Participants.

DTC may discontinue providing its service as depository with respect to the Series 2009 Bonds at any time by giving reasonable notice to the Agency and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Series 2009 Bond certificates are required to be printed and delivered.

The Agency may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Series 2009 Bond certificates will be printed and delivered to DTC.

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

Each person for whom a Participant acquires an interest in the Series 2009 Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NEITHER THE AGENCY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2009 BONDS.

So long as Cede & Co. is the registered owner of the Series 2009 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2009 Bonds (other than under the caption "PART 10 — TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2009 Bonds.

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

For every transfer and exchange of Series 2009 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.

NEITHER THE AGENCY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT, (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2009 BONDS UNDER THE RESOLUTIONS; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2009 BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE SERIES 2009 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2009 BONDS; OR (VI) ANY OTHER MATTER.

THE AGENCY AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC (WITH RESPECT TO THE SERIES 2009 BONDS) WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2009 BONDS: (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE SERIES 2009 BONDS, (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE SERIES 2009 BONDS, OR (3) NOTICES SENT TO DTC OR CEDE & CO, ITS NOMINEE AS THE REGISTERED OWNER OF THE SERIES 2009 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS. THE AGENCY AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS, WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE AGENCY AND THE UNDERWRITERS WILL HAVE NO RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC, OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE SERIES 2009 BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS UNDER THE TERMS OF THE

RESOLUTIONS; OR (4) ANY CONSENT GIVEN OR O1HER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE SERIES 2009 BONDS.

THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT CONCERNING DTC AND ITS BOOK ENTRY SYSTEMS HAS BEEN OBTAINED FROM DTC AND NEITHER THE AGENCY NOR THE UNDERWRITERS MAKE ANY REPRESENTATIONS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

PART 5 – THE MUNICIPALITIES

The principal amounts of the Local ARRA Bonds issued by each Municipality and the financial advisor and bond counsel to each Municipality are listed in Appendix B hereto. Also contained in Appendix B are principal payment schedules and debt service schedules for Local ARRA Bonds, the payments on which will be the source of payments on specific Series and Sub-Series of the Series 2009 Bonds.

Summaries of the constitutional and statutory provisions relating to debt structure and tax and revenue collections which are generally applicable to all municipalities (or designated types of municipalities) in the State are included in this PART 5. Certain financial and economic information for each Municipality is included in Appendix C. The Agency has been advised that the financial statements for the most recent fiscal year of each of the Municipalities have been filed by the Municipalities for posting on the EMMA System maintained by the Municipal Securities Rulemaking Board. See "PART 1 – INTRODUCTION – The Municipalities". Such financial statements are incorporated herein by reference.

Constitutional Requirements

The New York State Constitution limits the power of municipalities of the State, including the Municipalities, to issue obligations and to contract indebtedness. These constitutional limits have been reflected in State statutes, primarily the Local Finance Law. Such constitutional and statutory limitations, including those described in summary form below, are generally applicable to each Municipality and the Local ARRA Bonds:

Limitation on Purposes of Indebtedness and Pledge of Faith and Credit. The Municipalities may contract indebtedness only for a municipal purpose and each Municipality has pledged its faith and credit for the payment of principal of and interest on its indebtedness. For the payment of principal and interest, the Municipalities have the power and statutory authorization to levy ad valorem taxes on all taxable real property within the respective Municipalities without limitation as to rate or amount.

Subject to certain exceptions, each Municipality may not give or loan any money or property to or in aid of any individual, any private corporation or any private undertaking and may not give or loan its credit to or in aid of any of the foregoing or any public corporation.

Payment and Maturity Limitations. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which it is contracted. No installment may be more than fifty percent in excess of the smallest prior installment, unless the governing body of the Municipality authorizes the issuance of bonds with substantially level or declining annual debt service. The Municipalities are required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit. Each Municipality has the power to contract indebtedness for any of its municipal purposes so long as the principal amount thereof, together with any existing debt, shall not exceed 7.0% (9.0% in the case of the City of Rochester) of the average full valuation of taxable real estate of the Municipality, subject, however, to certain enumerated exceptions, exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional (and statutory) method for determining full valuation is by taking assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State officials designated by statute, currently the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such equalization rate shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last five completed assessment rolls and dividing such sum by five.

Statutory Procedure

In general, the State Legislature has authorized the power and procedures for the Municipalities to borrow and incur indebtedness by the enactment of the Local Finance Law subject to the Constitutional provisions described above. The power to spend money, however, generally derives from other law, including the General Municipal Law and for each Municipality that is (i) a county, the County Law, (ii) a city, the General City Law and (iii) a town, the Town Law.

Pursuant to the Local Finance Law, each Municipality authorizes the issuance of bonds by the adoption of a bond resolution or ordinance approved by at least two-thirds of the members of the Finance Board of the Municipality (except resolutions subject to mandatory referendum or a referendum upon petition process, in which case a resolution may be approved by three-fifths of the members of the Finance Board). The Finance Board of each Municipality may delegate to the Municipality's chief fiscal officer the power to authorize and sell bonds and bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that where a bond resolution or ordinance is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the issuance thereof, may be contested only if:

(1) Such obligations are authorized for a purpose for which the Municipalities are not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action contesting such validity is commenced within twenty days after the date of such publication; or

(3) Such obligations are authorized in violation of the provisions of the State Constitution.

The Municipalities have each complied with this procedure with respect to the bond resolutions or ordinances authorizing the issuance of the Local ARRA Bonds.

A bond resolution or ordinance for a capital project typically authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (constitutional, statutory and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Local Finance Law also contains provisions providing the Municipalities with power to issue certain other short-term general obligation indebtedness, including revenue and tax anticipation notes and budget notes (See Appendix C – CERTAIN FINANCIAL AND ECONOMIC INFORMATION ON THE MUNICIPALITIES – Outstanding Indebtedness).

Special Provisions Affecting Remedies on Default

State Aid. The Act provides for the State Comptroller to intercept State Aid payable to a Municipality if the Agency has notified the Comptroller that the Municipality has failed to make payments on Local ARRA Bonds when due. State Aid, as defined in the Act, means all payments and contributions made by the State to and in aid of a Municipality as may be provided by law, other than payments of State contributions for old age assistance, family assistance, aid to the blind, aid to the disabled, safety net assistance and local social services administration costs.

The Act provides that the Agency shall provide such notice to the Comptroller at least 30 days prior to the date the State Comptroller is expected to pay over such aid to the Agency. The debt service payment dates under all Local ARRA Bonds are five days before the payment dates on the corresponding Applicable Series. In the event that a Municipality fails to make payments on Local ARRA Bonds when due, there is no assurance that the amount of State Aid subject to the intercept will be sufficient to make the payments on the Local ARRA Bonds then due. In addition, it is unlikely that the Comptroller will be able to pay the amount of the State Aid subject to the intercept to the Agency before the payments of principal or interest are due on the Applicable Series of the Series 2009 Bonds. There is no debt service reserve fund that secures the Series 2009 Bonds.

No Municipality will be responsible for the payment obligations of any other Municipality nor will the State Aid payable to a Municipality be available to satisfy the obligations of any other Municipality. However, if more than one Series of Bonds is issued to purchase Local ARRA Bonds issued by a Municipality, the State Aid payable to such Municipality will be available to secure all such Series of Bonds on a parity basis. See "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS – Issuance of Additional Bonds."

The determination of the amount of State Aid and the apportionment of such State Aid are legislative acts and the State Legislature may amend or repeal the statutes relating to State aid and the formulas which determine the amount of State aid payable to the Municipalities. Such amendments could result in the increase, decrease or elimination of the amount of the State Aid available for the payment of debt service on the Series 2009 Bonds. The financial condition of the State may affect the amount of State aid appropriated by the State Legislature and apportioned to Municipalities in the State.

Each Municipality has agreed that it will not create or suffer to be created any pledge or assignment of the State Aid to be apportioned or otherwise payable by the State other than pledges or assignments to secure subsequent Series of Bonds or to secure bonds issued by any agency or instrumentality of the United States of America or the State of New York or any authority, agency or political subdivision thereof, or as otherwise consented to in writing by the Agency.

Other. Section 2 of Article VIII of the State Constitution requires that there be made annually by appropriation by every county, city, town, village or school district for the payment of principal of and interest on all indebtedness (including the Local ARRA Bonds) and, if at any time the respective appropriating authorities fail to make such appropriations, the Constitution further requires that a sufficient sum be set apart from the first revenues thereafter received and applied to such purposes. The fiscal officer of any county, city, or town, village or school district also may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for such indebtedness.

Under current law, provision is made for contract creditors (including the Agency as the holder of the Local ARRA Bonds delivered pursuant to the Agreement) of a municipality to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to 9.0% per year from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of current funds or the proceeds of a tax levy.

The State has consented that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debts including judicial control over identifiable and unidentifiable creditors.

In recent years, certain events and legislation affecting remedies on default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in municipalities of the State require the exercise by the State of its emergency and police powers to assure the continuation of essential public services.

Financial Factors

Finances of each Municipality are accounted primarily through the general fund of the Municipality. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. The Municipalities derive the bulk of their annual revenues from a tax on real property, sales and use taxes and other taxes and from State aid. See Appendix C for certain financial and economic information for each Municipality.

Real Property Tax Collections. Depending on the municipality, real property taxes are typically due on a fixed date in each year or are payable in installments over the course of a year. Penalties on unpaid taxes vary by Municipality, and generally begin to be imposed a month to six weeks after the taxes are due. Because there is no uniform procedure for tax collection throughout the State, the procedure for tax collection in some Municipalities may vary from the general procedure described above. See Appendix C for a discussion of procedures for collection of real property taxes levied by each Municipality.

Other Tax Revenues. Certain of the Municipalities receive other tax revenues from the collection of local sales and use taxes and mortgage recording taxes.

State Aid. The Municipalities vary widely in the amount of financial assistance they receive from the State as a percentage of their overall revenues. The timing and amount State aid each Municipality receives is subject to among other things the financial well-being of the State and the State's budgetary process.

The State is not constitutionally obligated to maintain or continue State aid to the Municipalities. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Municipalities requiring either a counterbalancing increase in revenue from other sources to the extent available, or a curtailment of expenditures (See also "MARKET AND RISK FACTORS").

In an effort to address the State deficit, the New York State Legislature has adopted and the Governor has signed into law a deficit reduction plan (the "DRP") that provides for a range of budget cuts. The DRP legislation reduces undispersed appropriated funds for categorical and grant programs by 12.5% effective November 1, 2009 through March 31, 2010. The impact of the DRP legislation will vary by municipality. In addition, on December 2, 2009, the Governor publicly announced that he has directed the Division of the Budget to reduce State aid payments administratively in order to balance the State budget and prevent the State from running out of cash. The Division of the Budget has begun to implement the Governor's directive. It is unclear what impact such direction will have on the payment of State Aid to municipalities.

Pension Payments. Substantially all employees of the Municipalities are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"; together with ERS, the "Retirement Systems" or the "Common Retirement Fund"). The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after 10 years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976, with less than 10 years service, must contribute 3% of their gross annual salary toward the cost of retirement programs.

The DRP also includes changes to the Retirement Systems. The DRP provides for a new Tier V that, inter alia, increases the minimum retirement age and number of years necessary before an employee is eligible to receive a pension, caps the amount of overtime that is included in the calculation of the amount of the pension and requires that employees make pension contributions during the duration of their employment.

In September 2009, the State Comptroller announced that the employer contribution rates for the ERS will rise from 7.4% in 2010 to 11.9% in 2011, and that the similar rates for the PFRS will increase from 15.1% in 2010 to 18.2% in 2011. The increases result from 26.3% negative return on the State Common Retirement Fund in the fiscal year ended March 31, 2009. The employer contribution rates to the ERS for the years 2005 through 2009 were, in order, 12.9%, 11.3%, 10.7%, 9.6% and 8.5%. The employer contribution rates for the PFRS for the years 2005 through 2007 were, in order, 17.6%, 16.3% and 17%.

See Appendix C for a table of payments made by each Municipality to ERS and PFRS for the 2005 through 2008 fiscal years, the estimated amount of such payments made and to be made to ERS and PFRS in the 2009 fiscal year, and the budgeted amount of such payments to be made to ERS and PFRS in the 2010 fiscal year.

While each Municipality is aware of the potential negative impact to its budget from the employer contribution rate increases and will take the appropriate steps to budget accordingly, there can be no assurance that the financial position of one or more Municipalities will not be negatively impacted.

The investment of monies of the Retirement Systems covering the Municipalities' employees, and the establishment of assumptions to guide such investments, is not subject to the direction of the Municipalities. Thus, it is not possible for the Municipalities to predict, control or fully prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between the total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Municipalities which could affect other budgetary matters. Concerned investors should contact the Retirement Systems' administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

GASB 45 and OPEB. The Municipalities each provide differing levels of post-retirement benefits, primarily healthcare related, to various categories of former employees age 65 or older. These costs, referred to as "other (i.e., non-pension) post-employment benefits" or "OPEB," may be expected to rise substantially in the future. An accounting rule, known as "GASB Statement No. 45" or "GASB 45", promulgated by the Governmental Accounting Standards Board ("GASB") requires governmental entities, such as the Municipalities, to account for OPEB liabilities in a similar manner to how municipalities account for vested pension benefits. GASB 45 implementation, which was phased in over three years, is now required for all municipalities.

OPEB consist primarily of health care benefits, but may include other benefits such as disability benefits and life insurance. Until now, these benefits generally have been administered on a pay-as-you-go basis and have not been reported as a liability on the financial statements of municipalities. GASB 45 requires municipalities to account for OPEB liabilities much like they already account for pension liabilities by generally adopting and applying to OPEB liabilities the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities have not set aside any funds against this liability.

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

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality account for its unfunded accrued liability and compliance in meeting its ARC.

Actuarial Valuation will be required every 2 years for OPEB plans with more than 200 members and every 3 years if there are less than 200 members.

See Appendix C for a discussion of the impact of GASB 45 on each of the Municipalities and the steps being undertaken by each of the Municipalities toward implementation of GASB 45.

Litigation

Except as described in Appendix C hereto, each Municipality represents that there are no suits pending or, to the knowledge of such Municipality, threatened against such Municipality wherein an unfavorable result would have a material adverse effect on the financial condition of such Municipality and any litigation pending is generally of a routine nature which does not affect the right of such Municipality to conduct its business or affect the validity of its obligations.

PART 6 – ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are as follows:

Estimated Sources of Funds	**Series 2009A Bonds**	**Series 2009B Bonds**	**Series 2009C Bonds**
Principal Amount	$47,350,000.00	$31,290,000.00	$105,601,949.00
Net Original Issue Premium	3,808,042.55	1,182,132.30	7,641,468.88
Total Estimated Sources	$51,158,042.55	$32,472,132.30	$113,243,417.88
Estimated Uses of Funds			
Purchase of Local ARRA Bonds	$50,699,270.27	$32,076,009.64	$112,436,838.46
Costs of Issuance	94,601.92	99,605.47	121,792.62
Underwriter's Discount	364,170.36	296,517.19	684,786.80
Total Estimated Uses	$51,158,042.55	$32,472,132.30	$113,243,417.88

PART 7 – THE PLAN OF FINANCE

A portion of the proceeds of each Series of the Series 2009 Bonds will be used to provide for the purchase by the Agency from the Applicable Municipalities of the Local ARRA Bonds securing such Series. Each of the Applicable Municipalities will use the proceeds received from the purchase of the Local ARRA Bonds by the Agency in accordance with its respective bond ordinance or bond resolution which authorized the issuance of the Local ARRA Bonds. Information regarding the indebtedness of each Municipality is included in Appendix C.

PART 8 – THE AGENCY

The Agency was created in 1972 by the Act and is a corporate governmental agency, constituting a public benefit corporation. The legislation creating the Agency determined the purpose thereof to be, in part, to foster and promote by all reasonable means the provision of adequate capital markets and facilities for borrowing money by its several municipalities for the financing of their public improvements or purposes from proceeds of bonds or notes issued by those municipalities, and to assist those municipalities in fulfilling their needs for improvements by use of creation of indebtedness and to the extent possible to reduce costs of indebtedness to taxpayers and residents of the State and to encourage continued investor interest in the purchase of bonds or notes of municipalities as sound and preferred securities for investment.

The Act further states that it is the policy of the State to provide a means by which certain special program municipalities may receive monies (a) to refund certain property taxes determined to be in excess of State constitutional tax limits or to reimburse such special program municipalities for the prior refunding of such taxes, (b) for the purpose of paying the cost of settling litigation involving the city school districts of such special program municipalities and the teachers' unions thereof and (c) to provide a means by which municipalities in the State can take advantage of the opportunities for borrowing to provide for public improvements afforded by the American

Recovery and Reinvestment Act of 2009, thereby resulting in efficiencies and interest rate savings to the municipality.

The membership of the Agency consists of the Comptroller (or a director appointed by the Comptroller), the Secretary of State, the Director of the Budget and the Chairman of the New York State Housing Finance Agency, and three additional directors appointed by the Governor, with the advice and consent of the Senate, at least one of whom must be an elected official of a municipality. The directors appointed by the governor shall serve for the full or unexpired terms of four years each or until their successors have been appointed and qualified. The position of President and Chief Executive Officer is currently vacant. The Agency's present directors and its officers are:

Judd S. Levy—Chairman

Kenneth M. Bialo—Vice Chairman

Robert L. Megna—Director of the Budget of the State of New York

Charles Capetanakis—Director

Lorraine Cortes-Vasquez—Secretary of the State of New York

Andrew A. SanFilippo—Director

Michael J. Townsend—Director

Marian A. Zucker—Executive Vice President

Charles Rosenwald—Senior Vice President, Chief Financial Officer and Chief Operating Officer

Joy F. Willig—Senior Vice President and Counsel

Joanne Hounsell—Senior Vice President

Arlo Chase—Senior Vice President

The Agency's officers and staff also serve in the same capacities for the New York State Housing Finance Agency, the New York State Affordable Housing Corporation, the State of New York Mortgage Agency and the Tobacco Settlement Financing Corporation.

The Agency and its corporate existence shall continue until terminated by law, provided, however, that no such law shall take effect so long as the Agency has bonds, notes or other obligations outstanding. The powers of the Agency, as provided in the Act, are vested in and exercised by no less than a majority of the directors thereof then in office. The Agency may delegate to one or more of its directors, or its officers, agents and employees, such powers and duties as it may deem proper.

The Series 2009 Bonds are the first series of Bonds issued under the Agency's Master ARRA Bond Financing Program Revenue Bond Resolution. Each Series of Bonds is separately secured. The Agency may issue additional Series of separately secured ARRA Bonds in the future.

Other Programs

Debt issued to finance the other Agency programs described under this heading are secured separately from the Bonds.

Special Program Revenue Bonds (City of Buffalo), 2001 Series A have been issued by the Agency for the purpose of providing funds to finance a portion of the cost of settling litigation involving the City of Buffalo

Teachers Federation ("Buffalo") in the principal amount of $27,415,000, of which $23,730,000 was outstanding as of September 30, 2009. Annual payments, in an amount sufficient to pay debt service and administrative costs of the Agency, are made by Buffalo pursuant to a special purpose agreement between Buffalo and the Agency. If Buffalo fails to make an annual payment, the Agency has a claim on the next payment of State aid as is payable to the City School District of the City of Buffalo pursuant to section 2435 and section 2436 of the State of New York Municipal Bond Bank Agency Act. Such bonds are also secured by a policy of municipal bond insurance.

Special School Deficit Program (Enlarged City School District of the City of Troy) Revenue Bonds, 2003 Series A, have been issued by the Agency for the purpose of providing funds to finance liquidation of the projected accumulated deficit in the general fund of the Enlarged City School District of the City of Troy ("Troy"), in the principal amount of $15,260,000, of which $5,620,000 was still outstanding as of September 30, 2009. Annual payments, in an amount sufficient to pay debt service and administrative costs of the Agency, are made by Troy pursuant to a special purpose agreement between Troy and the Agency. If Troy fails to make an annual payment, the Agency has a claim on the next payment of State aid due to Troy pursuant to section 2435 and section 2436 of the State of New York Municipal Bond Bank Agency Act. Such bonds are also secured by a policy of municipal bond insurance.

Special Program Revenue Bonds (City of Rochester-Refunding), 1998 Series A, have been issued by the Agency for the purpose of providing funds to refund the bonds issued for the purpose of providing funds to reimburse the City of Rochester ("Rochester") for the repayment of property taxes required to be returned to taxpayers by Rochester as a result of certain litigation, in the principal amount of $32,195,000, of which $4,720,000 was outstanding as of September 30, 2009. Annual payments, in an amount sufficient to pay debt service and administrative costs of the Agency, are made by Rochester pursuant to a special program agreement between Rochester and the Agency. If Rochester fails to make an annual payment, the Agency has a claim on the next payment of State aid due to Rochester or on behalf of Rochester pursuant to section 2432(5) and section 2436(4) of the State of New York Municipal Bond Bank Agency Act. Such bonds are also secured by a policy of municipal bond insurance.

Special School Purpose Revenue Bonds (Prior Year Claims), 2003 Series A and 2003 Series B, have been issued by the Agency for the purpose of providing funds to make payments to special school purpose municipalities in satisfaction of prior year claims for school aid owed to the following Special School Purpose Municipalities: Ballston Spa Central School District, Niagara Falls City School District, City of Rochester, Enlarged City School District of the City of Troy and the Utica City School District, in the principal amounts of $5,160,000 and $16,535,000 respectively, of which $2,200,000 and $7,345,000 was outstanding as of September 30, 2009. Annual payments, in an amount sufficient to pay debt service and administrative costs of the Agency, are made pursuant to a special program agreement between the municipalities and the Agency. If the municipalities fail to make an annual payment, the Agency has a claim on the next payment of State aid due to the municipality or on behalf of the municipality pursuant to section 2435 of the State of New York Municipal Bond Bank Agency Act. Such bonds are also secured by a policy of municipal bond insurance.

Special School Purpose Revenue Bonds (Prior Year Claims), 2003 Series C and 2003 Series D, have been issued by the Agency for the purpose of providing funds to make payments to special school purpose municipalities in satisfaction of prior year claims for school aid owed to The City of New York ("New York"), the City of Buffalo ("Buffalo") and Delhi Central School District ("Delhi"), in the principal amounts of $478,365,000 and $11,310,000 respectively, of which $415,885,000 and $5,475,000 was outstanding as of September 30, 2009. Annual payments, in an amount sufficient to pay debt service and administrative costs of the Agency, are made by New York, Buffalo and Delhi, in an amount sufficient to pay debt service and administrative costs of the Agency, pursuant to a special program agreement between New York, Buffalo, Delhi and the Agency. If the municipalities fail to make an annual payment, the Agency has a claim on the next payment of State aid due to the municipality or on behalf of the municipality pursuant to section 2435 of the State of New York Municipal Bond Bank Agency Act. Such bonds are also secured by a policy of municipal bond insurance.

The bonds and notes issued and to be issued for the foregoing purposes are not and will not be secured by payments made by the Applicable Municipalities or by any funds or accounts established under the Master Resolution for the purpose of securing the Series 2009 Bonds.

In September 2003, the Agency created the MBBA 2003-A Tax Lien Finance Trust (the "Trust") and issued $15.1 million of bonds as part of a tax lien securitization program established by the Agency. Under the program, the Trust purchased delinquent real property tax liens (the "Liens") from four municipalities in New York State. The portfolio of Liens did not perform as anticipated and in June of 2007 the Agency purchased the outstanding principal balance of $8.6 million of the bonds by paying the bondholders approximately $5.3 million. The bondholders released the Agency, the Trust and the other parties to the transaction from any claims arising from owning the bonds, and in 2008 the Agency dissolved the Trust.

PART 9 – NEGOTIABLE INSTRUMENTS

The Series 2009 Bonds shall be negotiable instruments as provided in the Act, subject to the provisions for registration and transfer contained in the Master Resolution and in the Series 2009 Bonds.

PART 10 – TAX MATTERS

General

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Federally Tax-Exempt Series 2009 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is of the further opinion that interest on the Federally Tax-Exempt Series 2009 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. Bond Counsel expresses no opinion regarding whether such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel is of the opinion that interest on the Federally Taxable Series 2009 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that interest on the Federally Tax-Exempt Series 2009 Bonds and the Federally Taxable Series 2009 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). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Federally Tax-Exempt Series 2009 Bonds or the Federally Taxable Series 2009 Bonds. The proposed forms of Bond Counsel's opinions are included in this Official Statement as Appendix F.

Federally Tax-Exempt Series 2009 Bonds

To the extent the issue price of any maturity of the Federally Tax-Exempt Series 2009 Bonds is less than the amount to be paid at maturity of such Federally Tax-Exempt Series 2009 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Federally Tax-Exempt Series 2009 Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Federally Tax-Exempt Series 2009 Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Federally Tax-Exempt Series 2009 Bonds is the first price at which a substantial amount of such maturity of the Federally Tax-Exempt Series 2009 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Federally Tax-Exempt Series 2009 Bonds accrues daily over the term to maturity of such Federally Tax-Exempt Series 2009 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Federally Tax-Exempt Series 2009 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Federally Tax-Exempt Series 2009 Bonds. Beneficial Owners of the Federally Tax-Exempt Series 2009 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Federally Tax-Exempt Series 2009 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Federally Tax-Exempt Series 2009 Bonds in the original offering to the public at the first price at which a substantial amount of such Federally Tax-Exempt Series 2009 Bonds is sold to the public.

Federally Tax-Exempt Series 2009 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Federally Tax-Exempt Series 2009 Bonds. The Agency and the Municipalities have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Federally Tax-Exempt Series 2009 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Federally Tax-Exempt Series 2009 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Federally Tax-Exempt Series 2009 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Federally Tax-Exempt Series 2009 Bonds may adversely affect the value of, or the tax status of interest on, the Federally Tax-Exempt Series 2009 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Federally Tax-Exempt Series 2009 Bonds is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York), the ownership or disposition of, or the accrual or receipt of interest on, the Federally Tax-Exempt Series 2009 Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Federally Tax-Exempt Series 2009 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 from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Federally Tax-Exempt Series 2009 Bonds. Prospective purchasers of the Federally Tax-Exempt Series 2009 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Federally Tax-Exempt Series 2009 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Agency or the Municipalities, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Agency and the Municipalities have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Federally Tax-Exempt Series 2009 Bonds ends with the issuance of the Federally Tax-Exempt Series 2009 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Agency or the Beneficial Owners regarding the tax-exempt status of the Federally Tax-Exempt Series 2009 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Agency 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 IRS positions with which the Agency legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Federally Tax-Exempt Series 2009 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Federally Tax-Exempt Series 2009 Bonds, and may cause the Agency, the Municipalities or the Beneficial Owners to incur significant expense.

Federally Taxable Series 2009 Bonds

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Federally Taxable Series 2009 Bonds that acquire their Federally Taxable Series 2009 Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with all U.S. federal income tax consequences applicable to any given investor, nor does it address the U.S. federal income tax considerations applicable to categories of investors some of which may be subject to special taxing rules (regardless of whether or not such persons constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Federally Taxable Series 2009 Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences or (ii) the indirect effects on persons who hold equity interests in a holder. In addition, this summary generally is limited to investors that acquire their Federally Taxable Series 2009 Bonds pursuant to this offering for the issue price that is applicable to such Federally Taxable Series 2009 Bonds (i.e., the price at which a substantial amount of the Federally Taxable Series 2009 Bonds are sold to the public) and who will hold their Federally Taxable Series 2009 Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, "U.S. Holder" means a beneficial owner of a Federally Taxable Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a Federally Taxable Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Federally Taxable Series 2009 Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Federally Taxable Series 2009 Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Federally Taxable Series 2009 Bonds (including their status as U.S. Holders or Non-U.S. Holders).

For U.S. Holders

In the event that the stated redemption price at maturity of the Federally Taxable Series 2009 Bonds exceeds the issue price of the Federally Taxable Series 2009 Bonds by more than a de minimis amount (as determined for tax purposes), such excess will constitute original issue discount ("OID") for U.S. federal income tax purposes. The stated redemption price at maturity of a Federally Taxable Bond is the sum of all scheduled amounts payable on the Federally Taxable Bond (other than qualified stated interest). U.S. Holders of Federally Taxable Series 2009 Bonds will be required to include any OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Prospective investors that are not individuals or regular C corporations who are U.S. persons purchasing the Federally Taxable Series 2009 Bonds for investment should consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of the Federally Taxable Series 2009 Bonds.

Disposition of the Federally Taxable Series 2009 Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, defeasance, retirement (including pursuant to an offer by the Agency) or other disposition of a Federally Taxable Bond, will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Federally Taxable Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Federally Taxable Bond which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted tax basis in the Federally Taxable Bond (generally, the purchase price paid by the U.S. Holder for the Federally Taxable Bond, increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Federally Taxable Bond, if any, decreased by any payments previously made on such Federally Taxable Bond (other than payments of qualified stated interest), and decreased by any amortized premium, if any. Any such gain or loss generally will be capital gain or loss. In the case of a noncorporate U.S. Holder of the Federally Taxable Series 2009 Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Federally Taxable Series 2009 Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Circular 230

Under 31 C.F.R. part 10, the regulations governing practice before the IRS (Circular 230), the Agency and its tax advisors are (or may be) required to inform prospective investors that:

i. any advice contained herein is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer;

ii. any such advice is written to support the promotion or marketing of the Federally Taxable Series 2009 Bonds and the transactions described herein; and

iii. each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

PART 11 – STATE NOT LIABLE ON THE SERIES 2009 BONDS

The Act provides that notes and bonds of the Agency 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 the Agency pledged therefor. The Master Resolution specifically provides that the Series 2009 Bonds shall not be a debt of the State nor shall the State be liable thereon.

PART 12 – COVENANT BY THE STATE

The Act states that the State pledges and agrees with the holders of the Agency's notes and bonds that the State will not limit or alter the rights vested in the Agency to fulfill the terms of any agreements made with the holders thereof, or in any way impair the rights and remedies of such holders until such bonds and notes together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged. Notwithstanding the State's pledges and agreements contained in the Act, nothing in the Act shall be deemed to restrict any right of the State to amend, modify, repeal or otherwise alter (a) any provision of law relating to State Aid, or (b) statutes imposing or relating to taxes or fees, or (c) appropriations relating thereto.

PART 13 – LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2009 Bonds by the Agency are subject to the approval of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the Agency, whose approving opinion will be delivered with the Series 2009 Bonds. The proposed form of Bond Counsel's opinion is set forth in Appendix F.

Certain legal matters will be passed upon for the Underwriters by their counsel, Hiscock & Barclay, LLP, Albany, New York and for each Municipality by its bond counsel as listed in Appendix B hereto.

Bond Counsel also serves as bond counsel to certain Municipalities as listed in Appendix B – MUNICIPALITIES AND LOCAL ARRA BONDS PURCHASED WITH PROCEEDS OF THE SERIES 2009 BONDS.

There is no pending litigation restraining or enjoining the issuance or delivery of the Series 2009 Bonds or questioning or affecting the validity of the Series 2009 Bonds or the proceedings and authority under which they are to be issued. There is no litigation pending which in any manner questions the right of the Agency to purchase the Local ARRA Bonds in accordance with the provisions of the Act, the Master Resolution, the Series 2009 Resolution and the Agreements.

PART 14 – UNDERWRITING

The Underwriters have jointly and severally agreed, subject to certain conditions, to purchase the Series 2009 Bonds from the Agency at an aggregate purchase price of $195,528,118, including net original issue premium ($12,631,644) and less underwriters discount of $1,345,474, and to make a public offering of the Series 2009 Bonds at prices that are not in excess of the public offering prices stated on the inside cover pages of this Official Statement.

The Series 2009 Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters have designated Jefferies & Company, Inc. as their Representative.

PART 15 – CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission (“Rule 15c2-12”), each Municipality has undertaken in a written agreement with the Agency and the Trustee (a “Continuing Disclosure Agreement”) for the benefit of the Bondholders of the applicable Series of the Series 2009 Bonds to provide on an annual basis to the Agency in electronic form to the Electronic Municipal Market Access system (the “EMMA System”) maintained by the Municipal Securities Rulemaking Board (the “MSRB”) as the sole repository for the central filing of electronic disclosure pursuant to Rule 15c2-12, on or before 180 days after the end of each fiscal year of such Municipality, commencing with the fiscal year ending on or after December 31, 2009, operating data and financial information of the type hereinafter described which is included in Appendix C to this Official Statement (the “Annual Information”), together with such Municipality’s annual financial statements prepared in accordance with generally accepted accounting principles and audited by an independent firm of certified public accountants in accordance with generally accepted accounting standards.

The Annual Information for each Municipality will consist of the following: (a) operating data and financial information of the type included in Appendix C to this Official Statement (only to the extent that this information is not included in the audited financial statements of such Municipality), together with (b) a narrative explanation, if necessary to avoid misunderstanding, regarding the presentation of financial and operating data concerning such Municipality and in judging the financial and operating condition of such Municipality.

In addition, the Agency has undertaken, for the benefit of the Series 2009 Bondholders, to provide, in electronic form, to the MSRB, in a timely manner, the notices required to be provided by Rule 15c2-12 and described below (the “Notices”).

The Notices include notice of any of the following events with respect to the Series 2009 Bonds, if material: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (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 or events affecting the tax-exempt status of the Sub-Series 2009A1 Bonds, Sub-Series 2009B1 Bonds and

Sub-Series 2009C1 Bonds; (7) modifications to rights of the Holders of the Series 2009 Bonds; (8) bond calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2009 Bonds and (11) rating changes. Each Municipality has undertaken to provide to the Agency, in a timely manner, notices similar to the ones described above with respect to its Local ARRA Bonds.

The sole and exclusive remedy for breach or default under a Continuing Disclosure Agreement is an action to compel specific performance of the undertakings of the defaulting Municipality and/or the Agency, and no person, including any Holder and any Beneficial Owner of the Series 2009 Bonds, may recover monetary damages thereunder under any circumstances. The Agency or such defaulting the Municipality may be compelled to comply with their respective obligations under a Continuing Disclosure Agreement (i) in the case of enforcement of their obligations to provide information required thereunder, by any Holder and any Beneficial Owner of Outstanding Series 2009 Bonds or by the Trustee on behalf of the Holders of Outstanding Series 2009 Bonds or (ii) in the case of challenges to the adequacy of the information provided, by the Trustee on behalf of the Holders of Outstanding Series 2009 Bonds. However, the Trustee is not required to take any enforcement action unless so directed by the Holders of not less than 25% in aggregate principal amount of Outstanding Series 2009 Bonds. A breach or default under a Continuing Disclosure Agreement will not constitute an Event of Default under the Master Resolution. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under a Continuing Disclosure Agreement, insofar as the provision of Rule 15c2-12 no longer in effect required the providing of such information, will no longer be required to be provided.

The foregoing undertakings are intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data; and where an undertaking calls for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. Any Continuing Disclosure Agreement, however, may under certain circumstances be amended or modified without the consent of Holders of the Series 2009 Bonds. Copies of all of the Continuing Disclosure Agreements when executed by the parties thereto upon the delivery of the Series 2009 Bonds will be on file at the principal office of the Agency.

Each of the Municipalities has represented that in the previous five years it has complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

PART 16 – RATINGS

Standard & Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc. (“Standard & Poor’s”) has assigned a rating of “AA+” to the Series 2009A Bonds, “A+” to the Series 2009B Bonds, and “A” to the Series 2009C Bonds. Such ratings reflect only the views of such organization and any desired explanation of the significance of such ratings should be obtained from Standard & Poor’s at the following address: Standard & Poor’s, 55 Water Street, New York, New York 10041. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by Standard & Poor’s if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2009 Bonds.

PART 17 – SOURCES OF INFORMATION AND CERTIFICATIONS

Certain information concerning each Municipality and DTC included in this Official Statement has been furnished or reviewed and authorized for use by the Agency by such sources as described below. While the Agency believes that these sources are reliable, the Agency has not independently verified this information and does not guarantee the accuracy or completeness of the information furnished by the respective sources. The Agency is relying on certificates from each source, to be delivered at or prior to the time of delivery of the Series 2009 Bonds, as to the accuracy of such information provided or authorized by it.

Municipalities. The information in “PART 1 – Introduction – The Municipalities”, “PART 5 – THE MUNICIPALITIES”, on the first page of Appendix B and “Appendix C – CERTAIN FINANCIAL AND ECONOMIC INFORMATION ON THE MUNICIPALITIES” was supplied by each of the Municipalities. The

Agency and the Underwriters believe that this information is reliable, but the Agency and the Underwriters make no representations or warranties whatsoever to the accuracy or completeness of this information.

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

Bond Counsel. The information on the cover under the caption "Tax Status", in "PART 10 – TAX MATTERS", and in "Appendix A – DEFINITIONS," "Appendix D – SUMMARY OF CERTAIN PROVISIONS OF THE LOCAL ARRA BOND PURCHASE AGREEMENTS," "Appendix E – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION" and "Appendix F – FORM OF APPROVING OPINION OF BOND COUNSEL" has been provided by Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel.

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

The references herein to the Act, other laws of the State, the Master Resolution, the Series 2009 Resolution, the Agreements and the Local ARRA Bonds are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference should be made to each for a full and complete statement of its provisions. The agreements of the Agency with the registered owners of the Series 2009 Bonds are fully set forth in the Master Resolution (including any Supplemental and Series Resolutions thereto), and neither any advertisement of the Series 2009 Bonds nor this Official Statement is to be construed as a contract with the purchasers of the Series 2009 Bonds. So far as any statements are made in this Official Statement involving matters of opinion or an estimate, whether or not expressly so stated, they are intended merely as such and not as representations of fact. Copies of the documents mentioned in this paragraph are on file at the offices of the Agency and the Trustee.

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

STATE OF NEW YORK
MUNICIPAL BOND BANK AGENCY

By: /s/ Marian A. Zucker
Executive Vice Presiden*t*

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DEFINITIONS

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CERTAIN DEFINITIONS

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

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

Act means the State of New York Municipal Bond Bank Agency Act, being and constituting Title 18 of Article 8 of the Public Authorities Law of the State of New York.

Additional Security means the available sales tax revenues or mortgage recording tax revenues pledged, if any and to the extent permitted by the Act, by a Municipality to the Agency as additional security for the payment of such Municipality's Local ARRA Bonds pursuant to the Applicable Pledge Agreement.

Agency means the State of New York Municipal Bond Bank Agency, 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 hereafter succeed to the rights, powers, duties and functions of the Agency.

Agency Bonds means the series of bonds of the Agency issued in whole or in part to purchase the Local ARRA Bonds, together with any bonds of the Agency issued to refinance such Agency Bonds.

Applicable means (i) with respect to any Series Resolution, the Series Resolution relating to particular Bonds, (ii) with respect to any Series of Bonds, the Series of Bonds issued under a Series Resolution for a particular Municipality or Municipalities, (iii) with respect to any Agreement, the Agreement entered into by and between a Municipality and the Agency, (iv) with respect to a Municipality, the Municipality for which a Series of Bonds is issued, (v) with respect to any Bond Proceeds Fund, Debt Service Fund, Debt Service Reserve Fund, Arbitrage Rebate Fund, Subsidy Fund or Costs of Issuance Account in a Bond Proceeds Fund, the Fund or Account established in a particular Series Resolution and with respect to a particular Construction Account in a Bond Proceeds Fund, means the Construction Account established and undertaken with respect to each Applicable Municipality, (vi) with respect to a Trustee or Paying Agent, the Trustee or Paying Agent accepting the responsibility to perform the obligations set forth therefor with respect to a particular Series of Bonds, (vii) with respect to a Credit Facility or Liquidity Facility, the Credit Facility or Liquidity Facility, (if any), identified in the Applicable Series Resolution, (viii) with respect to a Bond Series Certificate, such certificate authorized pursuant to an Applicable Series Resolution, (ix) with respect to Revenues and Pledged Revenues, the amounts payable to the Agency on account of a Municipality, (x) with respect to any Additional Security, the additional security, if any, pledged to the Agency in the Applicable Pledge Agreement, (xi) with respect to a Pledge Agreement, the agreement, if any, containing the pledge of Additional Security, (xii) with respect to any Debt Service Reserve Fund Requirement, such requirement established in connection with a Series of Bonds by the Master Resolution or the Applicable Series Resolution, (xiii) with respect to a Reserve Fund Facility or a Facility Provider, a Reserve Fund Facility which constitutes all or any part of the Debt Service Reserve Fund Requirement in connection with an Applicable Series of Bonds or the Facility Provider thereof and (xiv) with respect to bonds of a Municipality, the Local ARRA Bonds issued and delivered to the Agency by a Municipality as required by the Applicable Local ARRA Bond Purchase Agreement.

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

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

Authorized Officer means (i) in the case of the Agency, means the Chairman, Executive Director/Chief Executive Officer and any other authorized officer as from time to time may be designated by resolution or by-law to act under the Master Resolution on behalf of the Agency; (ii) in the case of a Municipality, when used with reference to any act or document, means the person identified in the Master Resolution or in the Applicable Agreement as authorized to perform such act or execute such document, and in all other cases means chief financial officer or an officer or employee of a Municipality authorized in a written instrument signed by the chief financial officer; and (iii) in the case of the Trustee, the President, a Vice President, a Corporate Trust Officer, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee.

Basic Debt Service Payment means all amounts payable pursuant to the Applicable Local ARRA Bonds.

Bond or Bonds means any of the bonds of the Agency, including the Series 2009 Bonds authorized and issued pursuant to the Master Resolution and to an Applicable Series Resolution.

Bond Proceeds Account means each such account in a Bond Proceeds Fund so designated, created and established for each Applicable Municipality by the Applicable Series Resolution pursuant to the Master Resolution.

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

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

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

Bond Year means a period of twelve (12) consecutive months beginning in any calendar year and ending in the succeeding calendar year on the dates stated in the Applicable Series Resolution.

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

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

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

Code means the Internal Revenue Code of 1986 and the applicable Treasury regulations promulgated thereunder.

Continuing Disclosure Agreement means the Continuing Disclosure Agreement, dated as of the date of issuance of the Agency Bonds, by and among the Agency, the Trustee and the Applicable Municipality.

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

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

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

Debt Service Reserve Fund means each such fund, if any, so designated, created and established by the Applicable Series Resolution pursuant to the Master Resolution.

Debt Service Reserve Fund Requirement means as of any particular date of computation, which date of computation shall be the first day of the Bond Year, with respect to Bonds of a Series, an amount equal to the lesser of (i) the greatest amount required in the then current or any future calendar year to pay the sum of interest on Outstanding Bonds of such Series payable during such calendar year, and the principal and Sinking Fund Installments of such Outstanding Bonds payable in such calendar year, excluding interest accruing on the Bonds of a Series from the dated date of any such Bonds to the date or dates set forth in the Applicable Series Resolution immediately preceding the first interest payment date, and (ii) an amount equal to ten percent (10%) of the net proceeds of the sale of Bonds of such Series, unless otherwise provided in the Applicable Series Resolution.

Defeasance Security means (a) a Government Obligation of the type described in clauses (i), (ii), (iii) or (iv) of the definition of Government Obligations, (b) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligations and (c) 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 nationally recognized Rating Agencies in the highest rating category for such Exempt Obligation; **provided, however,** that (1) such term will not include 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.

Deferred Income Bond means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Deferred Income Bond, and as to which interest accruing after the Interest Commencement Date is payable semiannually on each Interest Payment Date.

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

Eligible Bank shall mean any (i) bank or trust company organized under the laws of any state of the United States of America (including the Trustee and any of its affiliates), (ii) national banking association, (iii) savings bank or savings and loan association chartered or organized under the laws of any state of the United States of America, or (iv) federal branch or agency established pursuant to the International Banking Act of 1978 or any successor provisions of law, or 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.

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, which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Master Resolution, is rated, without regard to qualification of such rating by symbols such as "+" or "–" and numerical notation, no lower than the second highest rating category for such obligation by at least two nationally recognized Rating Agencies, (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 wholly comprised of any of the foregoing obligations.

Existing Indebtedness means the outstanding bonds or notes, if any, of the Applicable Municipality described in Exhibit B of the Applicable Local ARRA Bond Purchase Agreement, which bonds or notes are to be refinanced in whole or in part with the proceeds of the Applicable Local ARRA Bonds.

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

Federal Agency Obligation means (i) an obligation issued by any federal agency or instrumentality approved by the Agency, (ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by a federal agency approved by the Agency, (iii) 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 (iv) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

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

Government Obligation means (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 or as to payment of principal and interest 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 wholly comprised of any of the foregoing obligations.

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

Interest Payment Date means, the date or dates set forth in the Applicable Series Resolution.

Investment Obligations shall mean, to the extent authorized by law and by any applicable resolutions of the Agency for investment of moneys of the Agency at the time of such investment,

(i) (A) Government Obligations, or (B) obligations rated in the highest rating category of the Rating Agency of any state of the United States of America or any political subdivision of such a state, payment of which is secured by an irrevocable pledge of Government Obligations;

(ii) (A) bonds, debentures or other obligations issued by Student Loan Marketing Association, Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Tennessee Valley Authority, the United States Postal Service, Federal Farm Credit System Obligations, Export Import Bank, World Bank, International Bank for Reconstruction and Development and Inter-American Development Bank; or (B) bonds, debentures or other obligations issued by Fannie Mae or by the Federal Home Loan Mortgage Corporation (excluding mortgage securities which are valued greater than par on the portion of unpaid principal or mortgage securities which represent payments of principal only or interest only with respect to the underlying mortgage loans);

(iii) obligations issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, or temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(iv) time deposits, certificates of deposit or any other deposit with a bank, trust company, national banking association, savings bank, federal mutual savings bank, savings and loan association, federal savings and loan association or any other institution chartered or licensed by any state or the U.S. Comptroller of the Currency to accept deposits in such state (as used in this definition, “deposits” shall mean obligations evidencing deposit liability which rank at least on a parity with the claims of general creditors in liquidation), which are (a) fully secured by any of the obligations described in (i) above having a market value (exclusive of accrued interest) not less than the uninsured amount of such deposit or (b) (1) unsecured or (2) secured to the extent, if any, required by the Agency and made with an institution whose unsecured debt securities are rated at least the then existing rating on the Bonds (and the highest rating of short-term obligations) by the Rating Agency;

(v) repurchase agreements backed by or related to obligations described in (i) or (ii) above with any institution whose unsecured debt securities are rated at least the then existing rating on the Bonds (or the highest rating of short-term obligations if the investment is a short-term obligation) by the Rating Agency;

(vi) investment agreements, secured or unsecured as required by the Agency, with any institution whose debt securities are rated at least the then existing rating on the Bonds (or the highest rating of short-term obligations if the investment is a short-term obligation) by the Rating Agency;

(vii) direct and general obligations of or obligations unconditionally guaranteed by the State, the payment of the principal of and interest on which the full faith and credit of the State is pledged, and certificates of participation in obligations of the State which obligation may be subject to annual appropriations, which obligations are rated at least the then existing rating on the Bonds by the Rating Agency;

(viii) direct and general obligations of or obligations guaranteed by any state, municipality or political subdivision or agency thereof, which obligations are rated in either of the two highest rating categories of the Rating Agency;

(ix) bonds, debentures, or other obligations issued by any bank, trust company, national banking association, insurance company, corporation, government or governmental entity (foreign or domestic), provided, that such bonds, debentures or other obligations are (a) payable in any coin or currency of the United States of America which at the time of payment will be legal tender for the payment of public and private debts, and (b) rated in either of the two highest rating categories of the Rating Agency;

(x) commercial paper (having original maturities of not more than 365 days) rated in the highest category of the Rating Agency;

(xi) money market funds which invest in Government Obligations and which funds have been rated in the highest rating category by the Rating Agency; or

(xii) any investments authorized in a Supplemental Resolution authorizing a Series of Bonds rated by the Rating Agency.

Provided, that it is expressly understood that the definition of Investment Obligations shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to the Master Resolution by a Supplemental Resolution, thus permitting investments with different characteristics from those permitted which the Agency deems from time to time to be in the interests of the Agency to include as Investment Obligations if at the time of inclusion such inclusion will not, in and of itself, impair, or cause the Bonds to fail to retain, the then existing rating assigned to them by the Rating Agency.

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

Local ARRA Bond means a municipal bond issued and delivered by a Municipality to the Agency as required by the Applicable Local ARRA Bond Purchase Agreement.

Local ARRA Bond Purchase Agreement means the Local ARRA Bond Purchase Agreement dated as of December 1, 2009 by and between the Agency and the Applicable Municipality.

Maximum Rate means the interest rate per annum identified as such in the Schedule of Additional Provisions attached as Exhibit C to the Local ARRA Bond Purchase Agreement.

Memorandum of Understanding means the Memorandum of Understanding between the Agency and the Comptroller of the State; provided however, that if so required pursuant to the terms of the applicable Series

Resolution, the Memorandum of Understanding shall be among the Agency, the Comptroller of the State and the applicable Municipality.

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

Municipality Resolution means, collectively, the ordinances and/or resolutions of the Municipality authorizing the execution and delivery of the Applicable Local ARRA Bond Purchase Agreement and the issuance and delivery of the Applicable Local ARRA Bonds.

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

Notice of Terms means a notice setting forth and confirming the definitive principal amounts, maturity dates and interest rates of the Local ARRA Bonds and certain other terms of the Local ARRA Bonds which, to the extent such terms are inconsistent with the parameters set forth in the Applicable Local ARRA Bond Purchase Agreement, will be subject to the approval of the Applicable Municipality.

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

Outstanding, when used in reference to Bonds, means, as of a particular date, all Bonds authenticated and delivered under the Master Resolution and under any Applicable Series Resolution except: (i) any Bond cancelled by the Applicable Trustee at or before such date; (ii) any Bond deemed to have been paid in accordance with the Master Resolution; (iii) any Bond in lieu of or in substitution for which another Bond has been authenticated and delivered pursuant to the Master Resolution; and (iv) Option Bonds tendered or deemed tendered in accordance with the provisions of the Series Resolution authorizing such Bonds or the Bond Series Certificate related to such Bonds on the applicable adjustment or conversion date, if interest thereon has been paid through such applicable date and the purchase price thereof has been paid or amounts are available for such payment as provided in the Agreement and in the Series Resolution authorizing such Bonds.

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

Permitted Collateral means (i) Government Obligations described in clauses (i), (ii) or (iii) of the definition of Government Obligations, (ii) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligations, (iii) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) is rated in the highest short term rating category by at least one nationally recognized Rating Agency and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least one nationally recognized Rating Agency no lower than in the second highest rating category or (iv) 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 nationally recognized Rating Agency in the highest rating category.

Pledge Agreement means the agreement, if any, between the Agency and a Municipality, evidencing the pledge of the Additional Security.

Pledged Revenues means the Additional Security, if any, pledged and assigned by a Municipality to the Agency pursuant to an Applicable Pledge Agreement, if any, to secure the Municipality's obligations under its Local ARRA Bonds described in such Pledge Agreement.

Projects means the project described in Exhibit A to each Local ARRA Bond Purchase Agreement.

Proportionate Share means the proportion that the outstanding principal amount of the Applicable Local ARRA Bonds bears to the outstanding principal amount of the Agency Bonds.

Rating Agency means each of Fitch, Moody's and S&P, in each case, which has assigned a rating to Outstanding Bonds at the request of the Agency, or their respective successors and assigns.

Recovery Act means the American Recovery and Reinvestment Act of 2009.

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

Refunded Bonds means all or a portion of the Existing Indebtedness which is to be refunded with the proceeds of the Agency Bonds.

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

Reserve Fund Facility Provider means the issuer of any surety bond, insurance policy or letter of credit which constitutes any part of a Debt Service Reserve Fund as provided in the Master Resolution.

Revenues means (i) the Basic Debt Service Payment, (ii) the Applicable Pledged Revenues, (iii) the State Aid payable to the Applicable Municipality pursuant to Section 2436 of the Act and (iv) the right to receive the same and the proceeds thereof and of such right.

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

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

Series Resolution means a resolution of the Agency, including the Series 2009 Resolution, authorizing the issuance of a Series of Bonds adopted by the Agency pursuant to the Master Resolution.

Series 2009 Bond Series Certificate means the Certificate of an authorized officer of the Agency, fixing terms, conditions and other details of the Series 2009 Bonds.

Series 2009 Resolution means the Series Resolution of the Agency authorizing the issuance of the Series 2009 Bonds adopted by the Agency on November 16, 2009.

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

Certificate relating thereto, to be paid on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Agency by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Option Bonds or Variable Rate Interest Bonds of such Series are deemed to be Bonds entitled to such Sinking Fund Installment.

State means the State of New York.

State Aid as defined in the Act, means all payments and contributions made by the State to and in aid of a Municipality as may be provided by law, other than payments of State contributions for old age assistance, family assistance, aid to the blind, aid to the disabled, safety net assistance and local social services administration costs.

State Approvals means the approvals (i) by the State Public Authorities Control Board of the issuance of Agency Bonds and (ii) by the Comptroller of the State of the terms of sale of Local ARRA Bonds, if required.

Subsidy Fund means the fund so designated, created and established pursuant to the Master Resolution.

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

Tax Certificate means the Tax Certificate concerning certain matters pertaining to the use of proceeds of the Bonds executed by and delivered to the Agency and the Trustee on the date of issuance of the Bonds, including any and all exhibits attached thereto.

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

Trustee means the bank or trust company appointed as Trustee for the Bonds pursuant to the Applicable Series Resolution or Applicable Bond Series Certificate and having the duties, responsibilities and rights provided for in the Master Resolution with respect to such Series, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant to the Master Resolution.

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

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

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

MUNICIPALITIES AND LOCAL ARRA BONDS PURCHASED WITH PROCEEDS OF THE SERIES 2009 BONDS

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MUNICIPALITIES AND LOCAL ARRA BONDS PURCHASED WITH PROCEEDS OF THE SERIES 2009 BONDS

Listed below are the Municipalities whose Local ARRA Bonds are being purchased by the Agency with proceeds of the Series 2009 Bonds, their financial advisors, their bond counsel and the principal amount of Local ARRA Bonds being purchased.

Municipality	Financial Advisor	Bond Counsel	Principal Amount of Local ARRA Bonds Purchased with Proceeds of Series 2009A Bonds	Principal Amount of Local ARRA Bonds Purchased with Proceeds of Series 2009B Bonds	Principal Amount of Local ARRA Bonds Purchased with Proceeds of Series 2009C Bonds
Series 2009A:					
County of Saratoga	FA	Lemery	$ 5,180,000		
Town of Brookhaven	MSI	HDW	42,170,000		
Series 2009B:					
County of Warren	FA	Orrick		$21,480,000	
County of Wayne	FA	HB		9,810,000	
Series 2009C:					
County of Montgomery	FA	Roemer			$ 7,560,000
City of Rochester	CMA	Curtin			98,041,949

Abbreviations for Financial Advisor	
FA	Fiscal Advisors and Marketing, Inc.
CMA	Capital Markets Advisors, LLC
MSI	Munistat Services, Inc.

Abbreviations for Bond Counsel	
HB	Harris Beach PLLC
HDW	Hawkins Delafield & Wood LLP
Lemery	Lemery Greisler LLC
Curtin	Timothy R. Curtin, LLC
Orrick	Orrick, Herrington & Sutcliffe, LLP
Roemer	Roemer Wallens & Mineaux, LLP

The schedule of the principal requirements for the Local ARRA Bonds of each the Town of Brookhaven and the County of Saratoga, whose Local ARRA Bonds were purchased with proceeds of the Series 2009A Bonds is as follows:

Series 2009A
Schedule of Projected Local ARRA Bonds Principal Repayments[1]

Maturity	Series 2009A1 (Tax-Exempt)			Series 2009A2 (Federally Taxable - Build America Bonds)			Series 2009A3 (Federally Taxable - Recovery Zone Bonds)			Total Series 2009A Local ARRA Bond Principal Repayments		
(12/10)	Brookhaven	Saratoga	Total	Brookhaven	Saratoga	Total	Brookhaven	Saratoga	Total	Brookhaven	Saratoga	Total
2010	$ -	$ 175,000	$ 175,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 175,000	$ 175,000
2011	4,200,000	180,000	4,380,000	-	-	-	-	-	-	4,200,000	180,000	4,380,000
2012	4,400,000	185,000	4,585,000	-	-	-	-	-	-	4,400,000	185,000	4,585,000
2013	4,900,000	190,000	5,090,000	-	-	-	-	-	-	4,900,000	190,000	5,090,000
2014	5,200,000	200,000	5,400,000	-	-	-	-	-	-	5,200,000	200,000	5,400,000
2015	2,270,000	205,000	2,475,000	-	-	-	-	-	-	2,270,000	205,000	2,475,000
2016	2,300,000	215,000	2,515,000	-	-	-	-	-	-	2,300,000	215,000	2,515,000
2017	2,400,000	225,000	2,625,000	-	-	-	-	-	-	2,400,000	225,000	2,625,000
2018	2,400,000	235,000	2,635,000	-	-	-	-	-	-	2,400,000	235,000	2,635,000
2019	2,400,000	250,000	2,650,000	-	-	-	-	-	-	2,400,000	250,000	2,650,000
2020	2,300,000	260,000	2,560,000	-	-	-	-	-	-	2,300,000	260,000	2,560,000
2021	-	-	-	2,300,000	-	2,300,000	-	275,000	275,000	2,300,000	275,000	2,575,000
2022	-	-	-	2,300,000	-	2,300,000	-	285,000	285,000	2,300,000	285,000	2,585,000
2023	-	-	-	2,400,000	-	2,400,000	-	295,000	295,000	2,400,000	295,000	2,695,000
2024	-	-	-	2,400,000	-	2,400,000	-	305,000	305,000	2,400,000	305,000	2,705,000
2025	-	-	-	-	-	-	-	315,000	315,000	-	315,000	315,000
2026	-	-	-	-	-	-	-	330,000	330,000	-	330,000	330,000
2027	-	-	-	-	-	-	-	340,000	340,000	-	340,000	340,000
2028	-	-	-	-	-	-	-	350,000	350,000	-	350,000	350,000
2029	-	-	-	-	-	-	-	365,000	365,000	-	365,000	365,000
2030	-	-	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 32,770,000**	**$ 2,320,000**	**$ 35,090,000**	**$ 9,400,000**	**-**	**$ 9,400,000**	**-**	**$ 2,860,000**	**$ 2,860,000**	**$ 42,170,000**	**$ 5,180,000**	**$ 47,350,000**

[1] Principal payments on Local ARRA Bonds for the Series 2009A Bonds will be paid on December 10 in the years indicated above.

The schedule of the annual debt service for the Local ARRA Bonds of each the Town of Brookhaven and the County of Saratoga, whose Local ARRA Bonds were purchased with proceeds of the Series 2009A Bonds is as follows:

Series 2009A
Schedule of Projected Local ARRA Bonds Annual Debt Service[1,2]

	Series 2009A1 (Tax-Exempt)			Series 2009A2 (Federally Taxable - Build America Bonds)			Series 2009A3 (Federally Taxable - Recovery Zone Bonds)			Total Series 2009A Bonds Local ARRA Bond Debt Service		
Period Ending (12/10)	Brookhaven	Saratoga	Total	Brookhaven	Saratoga	Total	Brookhaven	Saratoga	Total	Brookhaven	Saratoga	Total
2010	$ 1,322,353	$ 270,117	$ 1,592,470	$ 497,829	$ -	$ 497,829	$ -	$ 179,908	$ 179,908	$ 1,820,183	$ 450,025	$ 2,270,207
2011	5,579,847	275,560	5,855,407	519,474	-	519,474	-	187,730	187,730	6,099,321	463,290	6,562,611
2012	5,680,727	276,312	5,957,039	519,474	-	519,474	-	187,730	187,730	6,200,201	464,042	6,664,243
2013	5,999,887	273,708	6,273,595	519,474	-	519,474	-	187,730	187,730	6,519,361	461,438	6,980,799
2014	6,098,497	275,899	6,374,396	519,474	-	519,474	-	187,730	187,730	6,617,971	463,629	7,081,600
2015	2,954,777	272,679	3,227,456	519,474	-	519,474	-	187,730	187,730	3,474,251	460,409	3,934,660
2016	2,891,480	274,254	3,165,734	519,474	-	519,474	-	187,730	187,730	3,410,954	461,984	3,872,938
2017	2,873,950	273,267	3,147,217	519,474	-	519,474	-	187,730	187,730	3,393,424	460,997	3,854,421
2018	2,751,310	271,770	3,023,080	519,474	-	519,474	-	187,730	187,730	3,270,784	459,500	3,730,284
2019	2,628,670	274,761	2,903,431	519,474	-	519,474	-	187,730	187,730	3,148,144	462,491	3,610,635
2020	2,406,030	271,986	2,678,016	519,474	-	519,474	-	187,730	187,730	2,925,504	459,716	3,385,220
2021	-	-	-	2,819,474	-	2,819,474	-	462,730	462,730	2,819,474	462,730	3,282,204
2022	-	-	-	2,698,241	-	2,698,241	-	454,679	454,679	2,698,241	454,679	3,152,920
2023	-	-	-	2,677,008	-	2,677,008	-	445,972	445,972	2,677,008	445,972	3,122,980
2024	-	-	-	2,538,504	-	2,538,504	-	436,608	436,608	2,538,504	436,608	2,975,112
2025	-	-	-	-	-	-	-	426,588	426,588	-	426,588	426,588
2026	-	-	-	-	-	-	-	420,911	420,911	-	420,911	420,911
2027	-	-	-	-	-	-	-	409,250	409,250	-	409,250	409,250
2028	-	-	-	-	-	-	-	396,933	396,933	-	396,933	396,933
2029	-	-	-	-	-	-	-	388,959	388,959	-	388,959	388,959
2030	-	-	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 41,187,528**	**$ 3,010,311**	**$ 44,197,839**	**$ 16,425,796**	**-**	**$ 16,425,796**	**-**	**$ 5,899,843**	**$ 5,899,843**	**$ 57,613,325**	**$ 8,910,154**	**$ 66,523,478**

1 Debt Service payments on the Local ARRA Bonds for the Series 2009A Bonds will be paid on June 10 and December 10 in the years indicated above. Interest on the Local ARRA Bonds is payable on June 10 and December 10, principal on the Local ARRA Bonds is payable on December 10.

2 Payments on the Local ARRA Bonds include annual fees payable to the Agency.

The schedule of the principal requirements for the Local ARRA Bonds of each the County of Wayne and the County of Warren, whose Local ARRA Bonds were purchased with proceeds of the Series 2009B Bonds is as follows:

Series 2009B
Schedule of Projected Local ARRA Bonds Principal Repayments[1]

Maturity (12/10)	Series 2009B1 (Tax-Exempt)			Series 2009B2 (Federally Taxable - Build America Bonds)			Series 2009B3 Federally Taxable - Recovery Zone Bonds)			Total Series 2009B Local ARRA Bond Principal Repayments		
	Warren	Wayne	Total	Warren	Wayne	Total	Warren	Wayne	Total	Warren	Wayne	Total
2010	$ 515,000	$ 235,000	$ 750,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 515,000	$ 235,000	$ 750,000
2011	525,000	240,000	765,000	-	-	-	-	-	-	525,000	240,000	765,000
2012	535,000	245,000	780,000	-	-	-	-	-	-	535,000	245,000	780,000
2013	550,000	255,000	805,000	-	-	-	-	-	-	550,000	255,000	805,000
2014	570,000	260,000	830,000	-	-	-	-	-	-	570,000	260,000	830,000
2015	595,000	270,000	865,000	-	-	-	-	-	-	595,000	270,000	865,000
2016	615,000	285,000	900,000	-	-	-	-	-	-	615,000	285,000	900,000
2017	640,000	295,000	935,000	-	-	-	-	-	-	640,000	295,000	935,000
2018	670,000	305,000	975,000	-	-	-	-	-	-	670,000	305,000	975,000
2019	695,000	320,000	1,015,000	-	-	-	-	-	-	695,000	320,000	1,015,000
2020	725,000	330,000	1,055,000	-	-	-	-	-	-	725,000	330,000	1,055,000
2021	765,000	350,000	1,115,000	-	-	-	-	-	-	765,000	350,000	1,115,000
2022	800,000	365,000	1,165,000	-	-	-	-	-	-	800,000	365,000	1,165,000
2023	845,000	385,000	1,230,000	-	-	-	-	-	-	845,000	385,000	1,230,000
2024	890,000	405,000	1,295,000	-	-	-	-	-	-	890,000	405,000	1,295,000
2025	930,000	425,000	1,355,000	-	-	-	-	-	-	930,000	425,000	1,355,000
2026	980,000	445,000	1,425,000	-	-	-	-	-	-	980,000	445,000	1,425,000
2027	1,030,000	470,000	1,500,000	-	-	-	-	-	-	1,030,000	470,000	1,500,000
2028	1,080,000	490,000	1,570,000	-	-	-	-	-	-	1,080,000	490,000	1,570,000
2029	1,120,000	510,000	1,630,000	-	-	-	-	-	-	1,120,000	510,000	1,630,000
2030	515,000	-	515,000	655,000	535,000	1,190,000	-	-	-	1,170,000	535,000	1,705,000
2031	535,000	-	535,000	635,000	560,000	1,195,000	50,000	-	50,000	1,220,000	560,000	1,780,000
2032	560,000	-	560,000	-	585,000	585,000	715,000	-	715,000	1,275,000	585,000	1,860,000
2033	590,000	-	590,000	-	305,000	305,000	750,000	305,000	1,055,000	1,340,000	610,000	1,950,000
2034	615,000	-	615,000	-	-	-	785,000	635,000	1,420,000	1,400,000	635,000	2,035,000
2035	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 17,890,000**	**$ 6,885,000**	**$ 24,775,000**	**$ 1,290,000**	**$ 1,985,000**	**$ 3,275,000**	**$ 2,300,000**	**$ 940,000**	**$ 3,240,000**	**$ 21,480,000**	**$ 9,810,000**	**$ 31,290,000**

[1] Principal payments on Local ARRA Bonds for the Series 2009B Bonds will be paid on December 10 in the years indicated above.

The schedule of the annual debt service for the Local ARRA Bonds of each the Town of Brookhaven and the County of Saratoga, whose Local ARRA Bonds were purchased with proceeds of the Series 2009B Bonds is as follows:

Series 2009B
Schedule of Projected Local ARRA Bonds Annual Debt Service[1,2]

Period Ending (12/10)	Series 2009B1 (Tax-Exempt)			Series 2009B2 (Federally Taxable - Build America Bonds)			Series 2009B3 Federally Taxable - Recovery Zone Bonds)			Total Series 2009B Bonds Local ARRA Bond Debt Service		
	Warren	Wayne	Total	Warren	Wayne	Total	Warren	Wayne	Total	Warren	Wayne	Total
2010	$ 1,273,405	$ 524,475	$ 1,797,880	$ 86,402	$ 132,951	$ 219,353	$ 154,049	$ 62,959	$ 217,008	$ 1,513,856	$ 720,386	$ 2,234,241
2011	1,305,513	537,103	1,842,615	90,158	138,732	228,890	160,747	65,697	226,444	1,556,418	741,531	2,297,948
2012	1,301,810	535,839	1,837,649	90,158	138,732	228,890	160,747	65,697	226,444	1,552,715	740,267	2,292,982
2013	1,300,172	538,219	1,838,391	90,158	138,732	228,890	160,747	65,697	226,444	1,551,077	742,647	2,293,724
2014	1,303,067	535,289	1,838,355	90,158	138,732	228,890	160,747	65,697	226,444	1,553,972	739,717	2,293,688
2015	1,304,640	534,603	1,839,242	90,158	138,732	228,890	160,747	65,697	226,444	1,555,545	739,031	2,294,575
2016	1,300,185	538,506	1,838,691	90,158	138,732	228,890	160,747	65,697	226,444	1,551,090	742,934	2,294,024
2017	1,299,909	536,792	1,836,701	90,158	138,732	228,890	160,747	65,697	226,444	1,550,814	741,220	2,292,034
2018	1,303,605	534,668	1,838,272	90,158	138,732	228,890	160,747	65,697	226,444	1,554,510	739,096	2,293,605
2019	1,301,068	537,132	1,838,200	90,158	138,732	228,890	160,747	65,697	226,444	1,551,973	741,560	2,293,533
2020	1,302,503	533,980	1,836,483	90,158	138,732	228,890	160,747	65,697	226,444	1,553,408	738,408	2,291,816
2021	1,305,456	537,117	1,842,573	90,158	138,732	228,890	160,747	65,697	226,444	1,556,361	741,545	2,297,906
2022	1,301,364	534,232	1,835,596	90,158	138,732	228,890	160,747	65,697	226,444	1,552,269	738,660	2,290,929
2023	1,305,484	535,581	1,841,065	90,158	138,732	228,890	160,747	65,697	226,444	1,556,389	740,009	2,296,398
2024	1,307,305	535,907	1,843,212	90,158	138,732	228,890	160,747	65,697	226,444	1,558,210	740,335	2,298,545
2025	1,301,826	535,212	1,837,037	90,158	138,732	228,890	160,747	65,697	226,444	1,552,731	739,640	2,292,370
2026	1,304,303	533,494	1,837,797	90,158	138,732	228,890	160,747	65,697	226,444	1,555,208	737,922	2,293,130
2027	1,304,225	535,755	1,839,979	90,158	138,732	228,890	160,747	65,697	226,444	1,555,130	740,183	2,295,312
2028	1,301,592	531,738	1,833,329	90,158	138,732	228,890	160,747	65,697	226,444	1,552,497	736,166	2,288,662
2029	1,297,204	531,599	1,828,802	90,158	138,732	228,890	160,747	65,697	226,444	1,548,109	736,027	2,284,135
2030	644,772	-	644,772	745,158	673,732	1,418,890	160,747	65,697	226,444	1,550,677	739,428	2,290,105
2031	641,030	-	641,030	679,380	661,341	1,340,721	210,747	65,697	276,444	1,531,157	727,037	2,258,194
2032	641,367	-	641,367	-	647,202	647,202	872,253	65,697	937,949	1,513,619	712,899	2,226,518
2033	645,551	-	645,551	-	326,316	326,316	857,281	370,697	1,227,978	1,502,832	697,013	2,199,845
2034	643,352	-	643,352	-	-	-	839,864	679,380	1,519,244	1,483,215	679,380	2,162,595
2035	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 29,240,699**	**$ 10,697,236**	**$ 39,937,935**	**$ 3,223,944**	**$ 5,077,443**	**$ 8,301,387**	**$ 6,149,134**	**$ 2,558,361**	**$ 8,707,495**	**$ 38,613,776**	**$ 18,333,040**	**$ 56,946,816**

1 Debt Service payments on the Local ARRA Bonds for the Series 2009B Bonds will be paid on June 10 and December 10 in the years indicated above. Interest on the Local ARRA Bonds is payable on June 10 and December 10, principal on the Local ARRA Bonds is payable on December 10.

2 Payments on the Local ARRA Bonds include annual fees payable to the Agency.

The schedule of the principal requirements for the Local ARRA Bonds of each the County of Montgomery and the City of Rochester, whose Local ARRA Bonds were purchased with proceeds of the Series 2009C Bonds is as follows:

Series 2009C
Schedule of Projected Local ARRA Bonds Principal Repayments[1]

Maturity (2/10)	Series 2009C1 (Tax-Exempt)			Series 2009C2 (Federally Taxable - Build America Bonds)			Series 2009C3 Federally Taxable - Recovery Zone Bonds)			Total Series 2009C Local ARRA Bond Principal Repayments		
	Montgomery	Rochester	Total	Montgomery	Rochester	Total	Montgomery	Rochester	Total	Montgomery	Rochester	Total
2010	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2011	255,000	10,666,949	10,921,949	-	-	-	-	-	-	255,000	10,666,949	10,921,949
2012	265,000	10,785,000	11,050,000	-	-	-	-	-	-	265,000	10,785,000	11,050,000
2013	280,000	10,780,000	11,060,000	-	-	-	-	-	-	280,000	10,780,000	11,060,000
2014	290,000	9,600,000	9,890,000	-	-	-	-	-	-	290,000	9,600,000	9,890,000
2015	305,000	9,375,000	9,680,000	-	-	-	-	-	-	305,000	9,375,000	9,680,000
2016	325,000	7,230,000	7,555,000	-	-	-	-	-	-	325,000	7,230,000	7,555,000
2017	340,000	6,725,000	7,065,000	-	-	-	-	-	-	340,000	6,725,000	7,065,000
2018	-	4,650,000	4,650,000	355,000	1,985,000	2,340,000	-	-	-	355,000	6,635,000	6,990,000
2019	-	4,545,000	4,545,000	370,000	1,230,000	1,600,000	-	720,000	720,000	370,000	6,495,000	6,865,000
2020	385,000	5,395,000	5,780,000	-	-	-	-	230,000	230,000	385,000	5,625,000	6,010,000
2021	400,000	5,390,000	5,790,000	-	-	-	-	235,000	235,000	400,000	5,625,000	6,025,000
2022	425,000	4,190,000	4,615,000	-	-	-	-	235,000	235,000	425,000	4,425,000	4,850,000
2023	445,000	2,810,000	3,255,000	-	-	-	-	205,000	205,000	445,000	3,015,000	3,460,000
2024	460,000	855,000	1,315,000	-	-	-	-	205,000	205,000	460,000	1,060,000	1,520,000
2025	-	-	-	485,000	-	485,000	-	-	-	485,000	-	485,000
2026	-	-	-	510,000	-	510,000	-	-	-	510,000	-	510,000
2027	-	-	-	530,000	-	530,000	-	-	-	530,000	-	530,000
2028	-	-	-	165,000	-	165,000	390,000	-	390,000	555,000	-	555,000
2029	-	-	-	-	-	-	580,000	-	580,000	580,000	-	580,000
2030	-	-	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-		-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 4,175,000**	**$ 92,996,949**	**$ 97,171,949**	**$ 2,415,000**	**$ 3,215,000**	**$ 5,630,000**	**$ 970,000**	**$ 1,830,000**	**$ 2,800,000**	**$ 7,560,000**	**$ 98,041,949**	**$ 105,601,949**

[1] Principal payments on Local ARRA Bonds for the Series 2009C Bonds will be paid on February 10 in the years indicated above.

The schedule of the annual debt service for the Local ARRA Bonds of each the County of Montgomery and the City of Rochester, whose Local ARRA Bonds were purchased with proceeds of the Series 2009C Bonds is as follows:

Series 2009C
Schedule of Projected Local ARRA Bonds Annual Debt Service[1,2]

Period Ending (2/10)	Series 2009C1 (Tax-Exempt)			Series 2009C2 Federally Taxable - Build America Bonds)			Series 2009C3 Federally Taxable - Recovery Zone Bonds)			Total Series 2009C Bonds Local ARRA Bond Debt Service		
	Montgomery	Rochester	Total	Montgomery	Rochester	Total	Montgomery	Rochester	Total	Montgomery	Rochester	Total
2010	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2011	484,154	15,740,164	16,224,318	177,909	199,688	377,597	76,267	131,995	208,263	738,331	16,071,847	16,810,178
2012	458,212	14,856,113	15,314,325	158,141	177,500	335,642	67,793	117,329	185,122	684,147	15,150,942	15,835,089
2013	462,321	14,407,850	14,870,170	158,141	177,500	335,642	67,793	117,329	185,122	688,255	14,702,679	15,390,934
2014	458,013	12,676,992	13,135,004	158,141	177,500	335,642	67,793	117,329	185,122	683,947	12,971,821	13,655,768
2015	458,194	11,961,432	12,419,625	158,141	177,500	335,642	67,793	117,329	185,122	684,128	12,256,261	12,940,389
2016	462,608	9,337,369	9,799,977	158,141	177,500	335,642	67,793	117,329	185,122	688,543	9,632,198	10,320,741
2017	461,001	8,462,916	8,923,917	158,141	177,500	335,642	67,793	117,329	185,122	686,935	8,757,745	9,444,680
2018	103,627	6,044,269	6,147,895	513,141	2,162,500	2,675,642	67,793	117,329	185,122	684,561	8,324,098	9,008,659
2019	103,627	5,701,654	5,805,280	508,542	1,297,908	1,806,450	67,793	837,329	905,122	679,962	7,836,891	8,516,853
2020	488,627	6,319,404	6,808,031	118,114	-	118,114	67,793	307,578	375,371	674,534	6,626,982	7,301,516
2021	483,953	6,038,720	6,522,673	118,114	-	118,114	67,793	296,503	364,297	669,860	6,335,223	7,005,083
2022	488,513	4,563,291	5,051,804	118,114	-	118,114	67,793	280,079	347,872	674,420	4,843,370	5,517,790
2023	486,796	2,969,182	3,455,977	118,114	-	118,114	67,793	233,655	301,448	672,703	3,202,836	3,875,539
2024	483,506	898,691	1,382,197	118,114	-	118,114	67,793	219,327	287,121	669,413	1,118,018	1,787,431
2025	-	-	-	603,114	-	603,114	67,793	-	67,793	670,907	-	670,907
2026	-	-	-	594,217	-	594,217	67,793	-	67,793	662,011	-	662,011
2027	-	-	-	578,574	-	578,574	67,793	-	67,793	646,367	-	646,367
2028	-	-	-	176,532	-	176,532	457,793	-	457,793	634,325	-	634,325
2029	-	-	-	-	-	-	620,536	-	620,536	620,536	-	620,536
2030	-	-	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 5,883,148**	**$ 119,978,043**	**$ 125,861,191**	**$ 4,691,448**	**$ 4,725,097**	**$ 9,416,545**	**$ 2,239,290**	**$ 3,127,771**	**$ 5,367,060**	**$ 12,813,886**	**$ 127,830,910**	**$ 140,644,796**

1 Debt Service payments on the Local ARRA Bonds for the Series 2009C Bonds will be paid on February 10 and August 10 in the years indicated above. Interest on the Local ARRA Bonds is payable on February 10 and August 10, principal on the Local ARRA Bonds is payable on February 10.

2 Payments on the Local ARRA Bonds include annual fees payable to the Agency.

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CERTAIN FINANCIAL AND ECONOMIC INFORMATION ON THE MUNICIPALITIES

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CERTAIN FINANCIAL AND ECONOMIC INFORMATION ON THE MUNICIPALITIES

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APPENDIX C-1
DESCRIPTION OF
COUNTY OF SARATOGA

There follows in this Appendix C-1 a brief description of the County of Saratoga (the “County”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds. The information in this section concerning the County has been obtained from sources that the Agency believes to be reliable, but the Agency takes no responsibility for the accuracy thereof.

GENERAL INFORMATION

Description

The County, located in the upper Hudson Valley and foothills of the Adirondack Mountains, is part of the Census Bureau’s Albany-Schenectady-Troy Standard Metropolitan Statistical Area. The County’s 814 square miles include the cities of Saratoga Springs and Mechanicville, the incorporated villages of Ballston Spa, Corinth, Galway, Round Lake, Schuylerville, South Glens Falls, Stillwater, Victory, and Waterford, and 19 townships. The 2008 census officially records the County population at 217,191.

While agriculture and tourism are the County’s largest industries, manufacturing is an important and growing segment of its economy. Its chief manufacturers produce paper products, chemicals, electronic equipment, knit goods, and ladies’ wearing apparel. General Electric Silicone Division and Quad/Graphics, Inc. are just two nationally know manufacturers located within Saratoga County. One specialized facility for energy and propulsion research is located within the County: the West Milton Atomic Project, in the Town of Milton.

The County is served by a modern system of paved roads, electricity throughout, and gas service in the urban areas. There are numerous water and sewer systems within the County. The County boasts excellent schools and libraries, keeping pace with its expanding population. Many residents of its suburban areas work in nearby cities, such as Albany, Schenectady, Troy, and Glens Falls, although there is some commuting from neighboring counties to the County’s manufacturers and other businesses.

Excellent higher education facilities are available in Saratoga Springs (Skidmore College) and in nearby communities: Rensselaer Polytechnic Institute, Russell Sage College (both in Troy), State University at Albany, Albany Medical College, Albany College of Pharmacy, Albany Law School, College of St. Rose in Albany, Union College in Schenectady, and Siena College in Loudonville. The County is also surrounded by four excellent community colleges.

The County is served by first-rate regional and local transportation facilities including Canadian Pacific Railroad, Pam Am Southern Railroad, and local and inter-city bus service. The New York State Canal System extends for 32 miles along the County’s eastern border (Champlain Canal/Hudson River) and for 15 miles along its southern border (Erie Canal/Mohawk River). Interstate 87 (the Adirondack Northway) carries traffic from the New York State Thruway exit in Albany, northward to the Canadian border. The Albany International Airport and the County’s own airport in Ballston Spa serve the commercial and general aviation needs of the County.

The County is well known for the Saratoga Racetrack, named by Sports Illustrated as one of the ten top sports venues in the world. Supplementing this international tourist attraction are the Saratoga Equine Sports Center, the Saratoga Battlefield National Park – site of the turning point of the American Revolution, and the Saratoga Spa State Park – featuring natural mineral springs and the Saratoga Performing Arts Center, the summer home of the New York City Ballet and of the Philadelphia Orchestra. Saratoga County offers many other attractions – its lakes, mountains, and annual festivals such as the Waterford Tugboat Roundup, to both residents and visitors.

Global Foundries, Inc. (the spin off manufacturing arm for Advanced Micro Devices, Inc. (AMD) is constructing a two million square foot semiconductor manufacturing plant within the Luther Forest Technology Campus located in Malta in the northern part of the county. The plant is expected to be completed and operational in 2012 with the addition of 1,400 new jobs. Management anticipates a multiplier effect as ancillary residential and commercial developments are expected to develop with the development of the plant and other supporting businesses. The State has committed $1.2 billion to the $4.6 billion project, which is expected to add $750 million to the County's assessed valuation at build out. The plant will be the primary tenant of the Luther Forest Technology Campus encompassing the Saratoga Technology and Energy Park (STEP), a public-private partnership with New York State Energy Research and Development Authority (NYSERDA) that provides incentives to support nanotechnology development. The STEP Park has a five-phase 1.25 million square foot development plan over the next 15 to 25 years, with the first phase completed and including Lockheed Martin and Starfire Systems Building Performance Institute as tenants, The second phase anticipates a new fuels research lab moving into a 100,000 square foot office building and the new Global Foundries plant.

Population Trends

	County	New York State	United States
1980	153,759	17,558,072	226,504,825
1990	181,276	17,990,455	249,632,692
2000	200,635	18,976,457	284,968,348
2008	217,191	19,490,297	304,059,724

Source: U.S. Department of Commerce, Bureau of the Census.

Ten Largest Employers

Name	Type	Employees
Stewart's Ice Cream Co.	Milk & Dairy Manufacturing	1,550
Shenendehowa Central School District	Educational Institution	1,350
State Farm Insurance	Auto, Home and Health Insurance	1,171
Saratoga County	Local Government	1,075
Momentive Performance Materials	GE Silicones Division	1,000
Target Distribution Center	Retail	1,000
Saratoga Springs City School District	Educational Institution	988
Navy - Personnel at GE Lab	Silicone Products Div.	900
QuadGraphics, Inc.	Printing	825

Source: Saratoga Economic Development Corporation as of October 2009.

Ten Largest Taxpayers

Name	Type	Full Valuation
National Grid	Utility	$364,670,974
Erie Boulevard Hydropower LP	Utility	255,373,067
County of Saratoga IDA	Industrial Development Agency	222,484,486
General Electric Company	Industrial	185,021,176
Regency Realty Assoc.	Various Properties	135,065,501
Curtis/Palmer Hydroelectric	Industrial	118,533,800
Wilton Mall LLC	Shopping Center	89,108,000
Verizon	Utility	75,663,795
The People of the State of New York	Racetrack	72,945,905

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 7.8% of the tax base of the County.

Form of County Government

Subject to the State Constitution, the County operates pursuant to the County Law and the General Municipal Law and other laws governing the County generally, to the extent that such laws are applicable.

The legislative power of the County is vested in the Board of Supervisors, which has 23 members. Nineteen of its members are elected for two-year terms and the remaining four members are elected to four-year terms (Towns of Edinburg, Galway and Providence and the City of Mechanicville).

The Board meets at both regular and special meetings throughout the year and uses the committee system. Among its powers and duties, the Board reviews and adopts the annual County Budget, levies taxes, reviews and approves any modifications to the Budget, and authorizes the incurrence of all indebtedness of the County. The Board oversees the general operation of the County government through its appointment of the County Administrator, who is responsible for the coordination and day-to-day activities of the various County agencies.

Financial Organization

The County Treasurer, the chief fiscal officer of the County, is elected at-large to a four-year term. He is responsible for the administration and control of County finances.

The Director of Finance, a joint employee of the Board of Supervisors, the County Administrator, and the County Treasurer, supervises the accounting, bookkeeping, and financial reporting and undertakes such other tasks as are assigned by the County Treasurer.

Budgetary Procedures

The County Administrator is the Budget Officer and prepares the tentative budget, based on department requests, and submits it to the Board of Supervisors during October of each year. The proposed budget is made available for public inspection and a public hearing is held thereon. Subsequent to the public hearing, the Board of Supervisors makes such revisions as it deems appropriate and the final budget is then adopted. The budget is presented on a departmental basis, by object of expense, indicating the last completed year's actual expenditures, the current budget as approved and modified, the departmental request, and the County Administrator's recommendation. The budget, as adopted, gives full detail indicating therein the prior year information, the current year information, departmental requests, the County Administrator's recommendations and the final adopted budget for the County. The Board may, during the course of the year, make changes in the appropriations and other modifications of the budget as it deems necessary. The fiscal year of the County is the calendar year.

Unemployment Rate Statistics

	Year Average				
	2004	**2005**	**2006**	**2007**	**2008**
County	3.9%	3.7%	3.6%	3.7%	4.6%
New York State	5.8%	5.0%	4.6%	4.5%	5.4%

	2009 Monthly Figures											
	Jan	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
County	6.7%	7.3%	7.0%	6.1%	6.2%	6.7%	6.3%	6.1%	6.4%	6.4%	N/A	N/A
New York State	7.6%	8.4%	8.1%	7.5%	7.9%	8.6%	8.6%	8.7%	8.8%	8.7%	N/A	N/A

Source: Department of Labor, State of New York.

County Employees

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

Number of Employees	Bargaining Unit	Contract Expiration Date
974	Civil Service Employees' Association	December 31, 2009 [1]
107	Saratoga County PBA – Road Patrol	December 31, 2009 [1]
122	Saratoga County PBA – Corrections	December 31, 2010

(1) Currently in negotiation.

COUNTY INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the County and its debt contracting margin.

Net Debt Contracting Margin
As of December 1, 2009 [1]

Full Valuation of Taxable Real Property	$ 18,706,042,652
Average Debt Limit	1,309,422,986
Gross Indebtedness [2]	$ 65,190,000
Less: Exclusions	0
Total Net Indebtedness	$ 65,190,000
Net Debt Contracting Margin	1,244,232,986
Percentage of Debt Contracting Power Exhausted	4.98%

(1) The County has not incurred any indebtedness since the date of this table.
(2) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the County. The County expects to sell approximately $5,180,000 of Local ARRA Bonds to the Agency in connection with the financing of the County's Animal Shelter capital construction project. Such Local ARRA Bonds, when issued, will constitute Gross Indebtedness of the County and will alter the percentage of debt contracting power exhausted accordingly.

Estimated Overlapping Indebtedness

In addition to the County, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the County. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year in 2007 of the respective municipalities, school districts and fire districts.

Unit	Outstanding Indebtedness	Exclusions[1]	Net Indebtedness
Town(s) (18):	$ 80,625,882	$ 41,925,392	$ 38,700,490
Village(s) (9):	14,021,035	3,867,064	10,153,971
City(ies) (2):	44,883,026	10,334,399	34,548,627
School Districts (12):	360,661,920	274,103,059	86,558,861
Fire Districts (20):	7,708,655	452,432	7,256,223
TOTAL			$177,218,172

(1) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes, reserves for bonded indebtedness and, in the case of certain school district, estimated State building aid.

Debt Ratios

The table below sets forth certain ratios relating to the County's indebtedness, without giving effect to this financing, as of December 1, 2009.

	Amount of Indebtedness	Per Capita[1]	Percentage of Full Valuation[2]
Gross Direct Indebtedness[3]	$ 65,190,000	$ 300.15	.29%
Net Direct Indebtedness[3]	$ 65,190,000	$ 300.15	.29%
Gross Direct Plus Net Overlapping Indebtedness[4]	$242,408,172	$1,116.11	1.07%
Net Direct Plus Net Overlapping Indebtedness[4]	$242,408,172	$1,116.11	1.07%

(1) Based on the County's current estimated population of 217,191.
(2) Based on the County's full value of taxable real estate for 2009 of $22,704,944,716.
(3) See "Debt Statement Summary" herein.
(4) The County's estimated applicable share of net overlapping indebtedness is $177,218,172. (See "Estimated Overlapping Indebtedness" herein.)

Cash Flow Borrowing

The County has not issued Tax Anticipation Notes or Revenue Anticipation Notes within the last five fiscal years and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

On March 18, 2008 the Board of Supervisors adopted a bond resolution authorizing the issuance of $52,224,921 to finance the cost of the reconstruction of the Saratoga County Sewer District No. 1 Sewer System and Wastewater Treatment Plant. The project will be financed with $2,142,400 from the Saratoga County Sewer District General Fund with the remainder being financed through bond anticipation notes and bonds. The debt service on such borrowings will be paid through the sewer fees collected by the Sewer District. On July 22, 2008 bond anticipation notes were issued in the amount of $32,000,000 to finance a portion of the project. On July 21, 2009 the County issued $23,000,000 serial bonds to permanently finance a part of the project as well as $23,700,000 bond anticipation notes which mature on July 21, 2010. Subsequent borrowings will occur as construction cash flows require.

Other than the project listed above, the County has no other borrowings authorized and unissued at the present time.

LITIGATION

The County is subject to lawsuits in the ordinary conduct of its affairs. There are currently pending against the County several lawsuits. The County does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the County.

MATERIAL EVENTS NOTICES

The County is in compliance with all prior undertakings pursuant to Rule 15c2-12

FINANCIAL FACTORS

General Information

County finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") and are incorporated by reference herein. As reflected in such audited financial statements, the County derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Saratoga County collects its own taxes, with the exception of the two cities, Saratoga Springs and Mechanicville. Both cities bill the County taxes on the respective city tax bills issued by each city.

For all the towns and villages in the County, the County issues bills for each town or village which contains the County's taxes as well as the village or town taxes.

In the City of Mechanicville: Taxes are collected March 1 to March 15 without penalty. A penalty of 1% is imposed on taxes paid between March 16 and March 31; during the month of April, the penalty is 3%. After April 30, an additional 1% per month is added until paid.

In the City of Saratoga Springs: Taxes may be paid in quarterly installments. The final dates for payment without penalty are as follows: first quarter, March 1; second quarter, June 1; third quarter, September 1; fourth quarter, December 1. After those dates, penalties will accrue on the respective installment beginning with 5% and increasing 1% monthly thereafter.

The full amount of County taxes levied in the cities is paid to the County prior to the end of its fiscal year.

In the towns: Taxes are payable in the month of January without penalty; 1% per month, or portion thereof, is charged thereafter. In addition a 5% penalty is imposed on April 1, at which time unpaid taxes are returned to the County Treasurer for collection.

Proceedings to collect delinquent taxes are commenced annually. The date of the most recent proceeding was December 1, 2008 for 2008 taxes.

Valuations and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the County's real property tax levy for the last five years.

Valuations for Years Ending December 31

	2005	**2006**	**2007**	**2008**	**2009**
Assessed Valuation:	$12,519,330,397	$13,238,382,031	$14,481,134,934	$14,962,744,775	$16,427,027,502
New York State Equalization Rate:	88.02%	83.58%	74.93%	69.80%	72.35%
Full Valuation:	$14,223,279,251	$15,839,174,481	$19,326,217,715	$21,436,597,099	$22,704,944,716

Tax Rates Per $1,000 Assessed Valuation for Years Ending December 31,

2005	**2006**	**2007**	**2008**	**2009**
$2.50	$2.35	$2.15	$2.15	$2.16

Tax Collection Record

	2005	2006	2007	2008	2009
Total Tax Levy:	$82,480,742	$85,640,129	$92,666,285	$99,587,339	$106,103,285
Collected During Year:	99.97%	99.48%	99.99%	97.59%	93.43%
Uncollected December 31:	$21,347	$444,732	$8,872	$2,401,520	$6,971,450 (1)
% Uncollected When Due:	.03%	.52%	.01%	2.41%	6.57% (1)

(1) As of August 31, 2009.

State Aid

The County receives financial assistance from the State. For the 2008 fiscal year, approximately 10% of the revenues of the County are estimated to have been received in the form of State aid. In its budget for the 2009 fiscal year, approximately 14% of the revenues County are estimated to be in the form of State aid.

See also "PART 5 – THE MUNICIPALITIES – Financial Factors – *State Aid*."

Status and Financing of Employee Pension Payments

The County payments to the New York State and Local Employees' Retirement System ("ERS") since the 2005 fiscal year, and the budgeted payments for the 2009 fiscal year are as follows:

Year	ERS
2005	$6,053,411
2006	5,538,905
2007	5,377,425
2008	5,221,615
2009 (budgeted)	5,323,645(1)

(1) The County anticipates making a payment of $5,022,367 on or about December 11, 2009.

The County does not have any employees who are members of the State and Local Police and Fire Retirement System.

See, also "PART 5 – THE MUNICIPALITIES – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The County contracted with Armory Associates, LLC to calculate its "other post-employment benefits" ("OPEB") in accordance with GASB 45. The County's present value OPEB liability has been determined to be $415,204,162 at December 31, 2008. The County's annual required contribution ("ARC") is $26,031,975, of which $-0- is paid annually to over 759 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the County's 2008 financial statements. The County has reserved $40,201,919 toward its OPEB liability.

See also "PART 5 – THE MUNICIPALITIES – Financial Factors – *Pension Payments*."

Recent Operating Results

The total General Fund Balance at December 31, 2008 was $27,070,173. The General Fund Revenues were $210,064,897 and the General Fund Expenditures were $201,002,259. Revenues in 2008 were down due to reduced sales tax receipts, interest income and federal/state aid. The County was able to reduce its transfer to the County Nursing Home by $5.6 million due to Intergovernmental Transfers. Despite the fund balance drawdown of $8.4 million, the County financed $12.8 million in pay-as-you-go capital during Fiscal 2008.

Projected results for year end 2009 indicate that sales tax will be down approximately $6 million from budgeted figures. The General Fund balance is projected to decline to approximately $21 million at December 31, 2009.

Principal and Interest Requirements

A schedule of the County's debt service on all outstanding indebtedness, including the County's Local ARRA Bonds, is presented below.

Fiscal Year	Existing Debt Service	New Debt Service	Total Debt Service
2009	$1,703,799.00	$ -	$1,703,799.00
2010	3,876,235.50	450,024.80	4,326,260.30
2011	3,850,717.00	463,289.90	4,314,006.90
2012	3,838,171.00	464,041.90	4,302,212.90
2013	3,827,132.50	461,438.40	4,288,570.90
2014	3,812,376.50	463,629.40	4,276,005.90
2015	3,790,763.00	460,409.40	4,251,172.40
2016	3,777,744.50	461,983.90	4,239,728.40
2017	3,630,167.50	460,997.40	4,091,164.90
2018	2,615,257.50	459,499.90	3,074,757.40
2019	2,617,107.50	462,491.40	3,079,598.90
2020	1,786,392.50	459,716.40	2,246,108.90
2021	1,791,312.50	462,730.40	2,254,042.90
2022	1,794,685.00	454,679.40	2,249,364.40
2023	1,796,492.50	445,972.00	2,242,464.50
2024	1,426,752.50	436,608.20	1,863,360.70
2025	1,433,952.50	426,588.00	1,860,540.50
2026	1,434,752.50	420,911.40	1,855,663.90
2027	1,438,402.50	409,250.20	1,847,652.70
2028	1,444,615.00	396,932.60	1,841,547.60
2029	1,442,040.00	388,958.60	1,830,998.60
2030	1,442,020.00	-	1,442,020.00
2031	1,439,250.00	-	1,439,250.00
2032	1,439,125.00	-	1,439,125.00
2033	1,436,862.50	-	1,436,862.50
2034	1,432,462.50	-	1,432,462.50
2035	1,430,925.00	-	1,430,925.00
2036	1,432,012.50	-	1,432,012.50
2037	1,430,487.50	-	1,430,487.50
2038	1,426,350.00	-	1,426,350.00
2039	1,424,600.00	-	1,424,600.00
	$67,462,964.00	$8,910,153.60	$76,373,117.60

APPENDIX C-2
DESCRIPTION OF
TOWN OF BROOKHAVEN

There follows in this Appendix C-2 a brief description of the Town of Brookhaven (the "Town"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds. The information in this section concerning the Town has been obtained from sources that the Agency believes to be reliable, but the Agency takes no responsibility for the accuracy thereof.

GENERAL INFORMATION

Description

The Town, with a land area of over 259 square miles and a current estimated population in excess of 491,000 (2008 LIPA estimate), is located in the central portion of Suffolk County approximately 60 miles east of Manhattan. It is the second largest Town in the State by population and the fifth largest Town in the State by land area. The south shore of the Town stretches for about 23 miles along the Great South Bay and the Atlantic Ocean and its north shore spans approximately 27 miles along Long Island Sound. The Town includes eight incorporated villages and 19 independently governed school districts, and is primarily residential in character with considerable commercial development. Police protection is provided by the County and the incorporated villages; fire protection and emergency medical services are provided by local volunteer fire companies and ambulance districts.

Commercial facilities include regional covered shopping malls, such as the Smith Haven Mall, which includes R.H. Macy's, JC Penney, and Sears, Roebuck & Co., as its anchor stores; large warehouse/retail stores such as Home Depot, Lowe's Home Improvement Center, Sams' Club, Costco, Walmart, K-Mart, Target, Best Buy and Kohl's; smaller and medium-sized neighborhood shopping centers; and downtown commercial centers in Patchogue and Port Jefferson, for example. Industrial activity includes the Grucci Fireworks Company, Interpharm Inc., Motorola and Quality King. Larger institutional and governmental operations located in the Town include the Brookhaven National Laboratory, the State University at Stony Brook, the main campus of Suffolk County Community College and the Internal Revenue Service Center at Holtsville. Residential development consists primarily of single-family homes, but also includes a variety of other housing such as town-house condominium complexes and garden apartments.

Transportation

Rail service is provided to the Town by three branches of the Long Island Rail Road, operated by the Metropolitan Transportation Authority. The Montauk line serves the south shore, the main line serves the central portion of the Town, and the Port Jefferson line serves the north shore. All three lines provide transportation to the New York City metropolitan area.

The electrification of the main line to Ronkonkoma, in the center of the Town, has been completed. In anticipation of growth at and around Ronkonkoma, the Town has created a special Ronkonkoma Transportation Hub, which is expected to facilitate quality industrial and business development.

Route 495 (the Long Island Expressway) and Route 27 (Sunrise Highway) connect the Town with the New York City metropolitan area. Ferry service is available from Port Jefferson, on the Town's north shore, across Long Island Sound to Bridgeport, Connecticut.

The Town owns and operates Brookhaven Calabro Airport which is the home base for a number of private and corporate aircraft. This 650 acre site is located in Mastic, approximately one mile south of the Long Island Expressway. The airport is situated in close proximity to both the Brookhaven National Laboratory and the eastern entrance to the Fire Island National Seashore. Activity at the airport has increased substantially over the past decade, and the Town has been encouraged by the FAA to apply for development funds to accommodate the increase in traffic and usage. The Town conveyed 105 acres at the airport to Dowling College for the construction of the Dowling NAT Center, a $34.5 million national inter-modal educational facility which has classrooms, dormitories, flight simulators, laboratories and a training fleet of up to 12 aircraft. The project created approximately 770 construction jobs during the 10-year construction cycle and 1,600 primary and secondary job opportunities.

Utilities and Other Services

Throughout the Town, gas and electricity are provided by National Grid and the Long Island Power Authority ("LIPA"), respectively - the successors to the Long Island Lighting Company ("LILCO").

The Suffolk County Water Authority is the primary supplier of water for the Town and is responsible for the financing and construction of the necessary facilities. There are also several private water companies and water districts in the Town, all of which were established prior to 1963.

Suffolk County, through the establishment of County districts, is primarily responsible for providing sanitary sewer services, and for the financing and construction of facilities required therefor. The Town had previously established several Town sewer districts, and pursuant to agreement, the County has assumed the responsibility for operation and maintenance of these facilities.

Educational and Recreational Facilities

College facilities in the Town include the State University at Stony Brook with an enrollment of approximately 13,000; Suffolk County Community College with an enrollment of approximately 12,000; and Saint Joseph's College with an enrollment of approximately 3,800. In addition, as noted above, the Dowling NAT Center has been developed into a national inter-modal educational facility with classrooms, flight simulators, laboratories and a training fleet.

The Town operates a number of parks, marinas and beaches which are important to maintaining the high quality of life that attracts appropriate development. The Fire Island National Seashore, a major regional recreation area, attracts thousands of visitors to the Town every summer.

Population Trends

	Town	New York State	United States
1980	365,015	17,558,072	226,504,825
1990	407,786	17,990,455	249,632,692
2000	448,248	18,976,457	284,968,348
2008	491,035	19,490,297	304,059,724

Source: U.S. Department of Commerce, Bureau of the Census.

Ten Largest Employers

Name	Type	Employees
State University at Stony Brook	Education and Medical	13,623
Internal Revenue Service	Government	3,332
Sachem Central School District	Education	3,100
Brookhaven National Laboratory	Research Laboratory	2,500
John T. Mather Hospital	Medical	2,047
Brookhaven Memorial Hospital	Medical	2,030
Saint Charles Hospital	Medical	1,520
Three Village Central School District	Education	1,454
Verizon	Utility	1,440
William Floyd Central School District	Education	1,300

Source: Division of Economic Development, Town of Brookhaven.

Ten Largest Taxpayers

Name	Type	Assessed Valuation
Marketspan Generation LLC	Utility	$18,283,925
Long Island Power Authority	Utility	13,793,833
Keyspan Energy Corp.	Utility	10,966,517
Verizon New York, Inc.	Utility	4,295,665
Macy's East Inc.	Shopping Center	1,833,089
East End Property Company #1 LLC	Commercial	628,020
North Isle Village Inc.	Apartment Complex	545,200
Patchogue Associates	Commercial	461,625
Serota Brooktown LLC	Apartment Complex	415,670
Stonehurst II Associates	Commercial	400,000

The total estimated assessed valuation of the top **ten (10)** taxpayers represents approximately 10.95% of the tax base of the Town.

Form of Town Government

The Town was incorporated in 1655 and is located in the County of Suffolk, New York, which County is divided for local government purposes into 10 towns. In turn, some of such Towns contain incorporated villages established for purposes of providing certain municipal services and facilities to their residents. The Town is a political subdivision of the State having its own elected legislative body, the Town Board, pursuant to Constitutional provision and, except for certain contractual arrangements for cooperative provisions of some services or facilities, the Town does not rely in any manner upon the County for purposes of providing local government needs.

The legislative body of the Town is its Town Board of seven members, the presiding officer of which is the Town Supervisor who is the chief executive officer of the Town and is elected for a two year term. The six additional members of the Town Board are also elected for two year terms. The Supervisor is elected at large; council members are elected from six councilmanic districts.

Additional Town officers are the Receiver of Taxes and the Town Clerk (both elected to four-year terms) and the Superintendent of Highways (elected to a two year term). The Town Board appoints the Commissioner of Finance and the Town Attorney.

The Town provides the bulk of municipal services furnished to the residents thereof and for such purpose furnishes and maintains Town highways, planning, zoning, Town Courts, regulation of building construction and licensing of trades and occupations along with the usual municipal services of recreational facilities and street lighting. Police protection is provided by the County and fire protection is provided through separate entities, the various fire districts and voluntary fire organizations in the Town. Planning and zoning and the financing of Town courts are provided by the Town. Social services and health services, to the extent provided on a public basis, are essentially County responsibilities.

Financial Organization

Pursuant to the Local Finance Law, the Supervisor is the chief fiscal officer of the Town. According to the Town Law, the Town Board is empowered to appoint a Commissioner of Finance and to delegate to such Commissioner certain financial functions of the Town. The Commissioner of Finance serves as the Accounting Officer of the Town and Town Comptroller. Her duties include the administration, direction and control of Information Technology. Accounting, Accounts Payable, Accounts Receivable, Audit and Control and Payroll.

Budgetary Procedures

Each year the Supervisor is responsible for preparing a tentative budget. The Supervisor holds several meetings with the Commissioner of Finance, the Town Board Members, and Department Heads in preparing the tentative budget. The Supervisor then presents his tentative budget to the Town Clerk by September 30th each year.

The Town Clerk presents the Supervisor's tentative budget to the Town Board by October 5th. The Town Board may accept the Supervisor's tentative budget and adopt it as the Town's preliminary budget or make revisions to the Supervisor's tentative budget before adopting a preliminary budget for the Town. The Town Board will convene a public hearing on or before the Thursday immediately following the general election where it will take comments on the Town's preliminary budget. Revisions may be made to the Town's preliminary budget as a result of the public hearing. A final version of the preliminary budget is then prepared by the Town Board and adopted as the final budget by November 20th each year. The budget is not subject to referendum.

Unemployment Rate Statistics

Year Average

	2004	2005	2006	2007	2008
Town	4.7%	4.2%	4.0%	3.9%	5.0%
New York State	5.9%	5.0%	4.5%	4.5%	5.4%

2009 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Town	7.0%	7.6%	7.3%	6.7%	6.8%	7.4%	7.7%	7.6%	7.6%	7.3%	N/A	N/A
New York State	7.6%	8.4%	8.1%	7.5%	7.9%	8.6%	8.6%	8.7%	8.8%	8.7%	N/A	N/A

Town Employees

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

Number of Employees	Bargaining Unit	Contract Expiration Date
390	CSEA White Collar Unit	December 31, 2011
247	CSEA Highway Unit	December 31, 2011
268	CSEA Blue Collar Unit	December 31, 2011

TOWN INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the Town and its debt contracting margin.

Net Debt Contracting Margin
As of December 1, 2009[(1)]

Average Full Valuation of Taxable Real Property	$ 62,419,733,030
Debt Limit	4,369,381,312
Gross Indebtedness [(2)]	$ 426,810,000
Less: Exclusions	24,140,550
Total Net Indebtedness	$ 402,709,450
Net Debt Contracting Margin	3,966,671,862
Percentage of Debt Contracting Power Exhausted	9.22%

(1) The Town has not incurred any indebtedness since the date of this table.

(2) The Town expects to sell $42,170,000 of Local ARRA Bonds to the Agency in connection with the financing of the Town's capital construction projects. Such Local ARRA Bonds, when issued, will constitute Gross Indebtedness of the Town and will alter the percentage of debt contracting power exhausted accordingly.

Estimated Overlapping Indebtedness

In addition to the Town, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the Town. Estimated applicable indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities, school districts and fire districts.

Unit	Outstanding Indebtedness	Exclusions[1]	Net Debt Outstanding	% Within Town	Applicable Net Indebtedness
County:	$1,147,821,256	$102,909,533	$1,044,991,723	9.80%	$229,044,650
Village(s) (8):	12,800,000	150,000	12,650,000	0.49%	12,650,000
City:	0	0	0	0%	0
School Districts (9):	1,366,150,098	587,010,150	779,139,948	47.00%	638,967,346
Fire Districts (36):	34,702,886	325,000	34,377,886	1.35%	34,377,886
TOTAL	$2,561,474,240	$690,394,683	1,871,079,557	58.74%	$915,039,882

(1) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes, reserves for bonded indebtedness and, in the case of certain school district, estimated State building aid.

Debt Ratios

The table below sets forth certain ratios relating to the Town's indebtedness, without giving effect to this financing, as of December 1, 2009.

	Amount of Indebtedness	Per Capita[1]	Percentage of Full Valuation[2]
Gross Direct Indebtedness[3]	$ 426,810,000	$ 869	0.70%
Net Direct Indebtedness[3]	402,709,450	820	0.66%
Gross Direct Plus Net Overlapping Indebtedness[4]	1,341,849,882	2,733	2.21%
Net Direct Plus Net Overlapping Indebtedness[4]	1,317,749,332	2,684	2.17%

(1) Based on the Town's current estimated population of 491,035.
(2) Based on the Town's full value of taxable real estate for 2010 of $60,782,959,090.
(3) See "Debt Statement Summary" herein.
(4) The Town's estimated applicable share of net overlapping indebtedness is $915,039,882. (See "Estimated Overlapping Indebtedness" herein.)

Cash Flow Borrowing

The Town has not issued Tax Anticipation Notes or Revenue Anticipation Notes within the last 5 fiscal years and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

As of the date of this Official Statement, the Town has authorized but unissued debt in the amount of $162,196,365. The issuance of the Bonds will fund $42,500,000 of such authorizations.

The Town plans to issue public improvement serial bonds in the Spring of 2010 to fund its ongoing capital projects. The exact par amount of this issue is yet to be determined.

In addition, the Town has secured funding for the costs associated with the planning, design and construction of a new wastewater treatment plant and associated pumping station to serve Sewer District #2 in the Town. The total project costs of $10,358,145 will be funded through the New York State Environmental Facilities Corporation (the "EFC") with a combination of short-term interest-free financing and principal forgiveness. When the project is completed or substantially completed, such short-term loan will be converted into long-term bonds sold to the EFC. As of the date of this Official Statement, the town has not drawn any monies for the project from the EFC.

While the Town is generally responsible for providing services as required on a Town-wide basis, a substantial amount of its capital expenditures has been and is expected to continue to be for facilities outside of the incorporated villages in the Town. The villages, which comprise approximately 5% of the total area of the Town, are primarily responsible for most capital construction within their respective corporate boundaries. The Town maintains a road system outside of the villages consisting of approximately 1,734 miles. The road system requires a regular road resurfacing and improvement program and the acquisition of machinery and equipment therefor. The Town is also primarily responsible for financing and construction of surface drainage improvements outside of the villages. In addition, the Town regularly acquires and improves recreational facilities.

In general, the need for capital funding for the above described projects is anticipated to continue and to be in amounts substantially the same as in the past. Bond authorizations for such projects are not anticipated to be substantially different than have generally prevailed in the past.

LITIGATION

In May, 1991, Parviz Noghrey commenced an action in the Suffolk Supreme Court challenging the Town's rezoning of two vacant parcels in the Central Pine Barrens from J-2 Business to B-1 Residential. Those rezonings were part of a Town-wide commercial rezoning program. When Mr. Noghrey filed for bankruptcy protection, his action against the Town was removed to the United States Bankruptcy Court for the Eastern District of New York. The amended complaint alleged federal and state claims relating to the rezoning of Mr. Noghrey's parcels. In August 1998, the Town was granted summary judgment for alleged violations of Mr. Noghrey's right to due process and in March 2001 the District Court dismissed Mr. Noghrey's appeal of this summary judgment. Upon dismissal of his appeal, Mr. Noghrey was granted the motion to dismiss his bankruptcy proceeding and reinstate his claims against the Town in State Supreme Court. On April 28, 2006, the Supreme Court of the State of New York, County of Suffolk, rendered its decision in favor of Mr. Noghrey, awarding him damages and legal fees of approximately $11 million. In February, 2008, the Appellate Division reversed the decision of the Supreme Court stating that the jury was improperly charged. The cause was remanded to the Trial Court. The trial concluded on December 2, 2009. The jury found that a regulatory taking had occurred and awarded the sum of $1,200,000 in damages. The Court denied an oral motion by the Town to set aside the verdict and grant judgment in favor of the Town. However, the Court has invited written motions and the Town has instructed its attorneys to defend the matter vigorously which will include the filing of a post trial motion.

In the case of Valdez v. Town of Brookhaven, the parties are currently in mediation. Litigation was ongoing at the time the mediation began, and some discovery had been accomplished. The exposure to the Town in this matter is estimated to lie in the range of $2,000,000.00 to $4,000,000.00, which would be inclusive of defense costs and certain forensic expenditures. It must be noted, however, that the plaintiffs may attempt to have the case certified by the court as a class action.

The Town and its outside counsel believe this case is defensible and that the worst case scenario will not come to fruition. The Town believes the plaintiffs will have difficulty obtaining class certification even if they seek it. The Town believes the plaintiffs will have a very difficult time establishing any actual damages, though in a civil rights case they would be entitled to nominal damages if they prevail.

Other Litigation

The Town is subject to a number of other lawsuits in the ordinary conduct of its affairs. The Town does not believe however, that such other suits, individually or in the aggregate, are likely to have a materially adverse effect on the financial condition of the Town. The Town has determined that in recent years all litigation against the Town has been settled within the insurance coverage and budgetary appropriations for such purposes.

Lastly, there are a number of other pending lawsuits seeking monetary damages against the Town that have been referred to and are being handled by the Town's insurance carriers.

MATERIAL EVENTS NOTICES

The Town is in compliance with all prior undertakings pursuant to Rule 15c2-12.

FINANCIAL FACTORS

General Information

Town finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") and are incorporated by reference herein. As reflected in such audited financial statements, the Town derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

The Town, the County, the School Districts and the Fire Districts each prepare their own budgets and notify the Town as to the amount of taxes to levy for each respective unit. The Town also prepares the budgets and levies and collects the taxes for Special Districts in the Town other than Fire Districts. The Town Receiver of Taxes (the "Town Receiver") collects all real estate taxes for the Town (including its Special Districts), the County, School Districts and Fire Districts on a single tax bill. Real property tax payments are payable in two equal installments. The first portion is due December 1 of the year preceding the year for which the same is levied but it is payable without penalty until January 10. The second portion is payable May 10, and is payable without penalty until May 31. After May 31, all taxes must be paid to the County Treasurer with a 5% penalty charge and interest at the rate of 1% per month from February 1.

The Town Receiver distributes the collected tax money first to the Town (including its Special Districts), School Districts and Fire Districts. Any balance remaining after the Town (including its Special Districts), School Districts and Fire Districts have received their tax revenues in full is distributed to the County. On June 1 of each year the Town Receiver turns over uncollected items to the County Treasurer who continues the collection of such items. Responsibility for the collection of unpaid taxes rests with the County. Therefore, as long as uncollected taxes as of June 1 are less than the County's share of the total taxes, the Town is assured of 100% collection of its tax revenues.

Valuations and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the Town's real property tax levy for the last five years.

	Valuations for Years Ending December 31				
	2006	**2007**	**2008**	**2009**	**2010**
Assessed Valuation:	$473,289,430	$476,040,281	$474,439,437	$471,271,829	$468,028,785
New York State Equalization Rate:	0.84%	0.76%	0.70%	0.73%	0.77%
Full Valuation:	$56,343,979,761	$62,636,8779,078	$67,777,062,428	$64,557,784,794	$60,782,959,090

	Tax Rates Per $100 Assessed Valuation for Years Ending December 31				
	2005	**2006**	**2007**	**2008**	**2009**
Town-Wide General Fund	$0.00	$0.00	$4.47	$4.47	$4.46

Tax Collection Record

	2005	2006	2007	2008	2009
Total Tax Levy:	$843,770,539	$908,284,848	$1,014,191,427	$1,057,107,129	$1,103,073,538
Collected During Year:	100%	100%	100%	100%	100%

State Aid

The Town receives financial assistance from the State. For the 2008 fiscal year, approximately 11.44% of the revenues of the Town are estimated to have been received in the form of State aid. In its budget for the 2009 fiscal year, approximately 9.16% of the revenues Town are estimated to be in the form of State aid.

See also “PART 5 – THE MUNICIPALITIES – Financial Factors – *State Aid*.”

Status and Financing of Employee Pension Payments

The Town’s payments to the New York State and Local Employees’ Retirement System (“ERS”) since the 2005 fiscal year, and the budgeted payments for the 2009 fiscal year are as follows:

Year	ERS
2005	$5,063,551
2006	6,144,863
2007	6,658,010
2008	5,649,376
2009 (budgeted)	5,124,185

See also “PART 5 – THE MUNICIPALITIES – Financial Factors – *Pension Payments.*”

GASB 45 and OPEB

The Town has contracted with OSI Consulting to calculate its “other post-employment benefits” (“OPEB”) liability in accordance with GASB 45. The Town present value OPEB liability has been determined to be $256,670,274 at November 1, 2007. The Town’s annual required contribution (“ARC”) as of December 31, 2008 is $23,475,564. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the Town’s 2008 financial statements. The Town has set aside $0 toward its OPEB liability.

See also “PART 5 – THE MUNICIPALITIES – Financial Factors – *GASB 45 and OPEB*.”

Recent Operating Results

The Town’s elected and appointed officials considered many factors when setting the fiscal-year 2010 budget, tax rates, and fees that will be charged. One of those factors is the economy. The local economy continues to feel the impact of the national economic crisis, particularly the decline of the housing and construction market. After receiving first quarter reports of further declines, the Town’s major revenue streams (mortgage tax and landfill fees) in April of 2009, the Town Board again enacted budget cuts, reducing the 2009 General Fund Operating Budget from $164 million to $159 million with correlating reductions in these revenues to new projected estimated levels. The 2009 estimated application of surplus is expected to be $5.1 million less than the revised budget due to tight budgetary controls. The Town projects the fund balance at the end of the 2009 year to $58.2 million which represents a fund balance level of approximately 37% of the 2009 budgeted expenditures.

Principal and Interest Requirements

A schedule of the Town's debt service on all outstanding indebtedness, including the Town's Local ARRA Bonds, is presented below.

Fiscal Year	Existing Debt Service	New Debt Service	Total Debt Service
2009	$50,376,991.00	$ -	$50,376,991.00
2010	54,917,176.00	1,820,182.63	56,737,358.63
2011	50,312,010.00	6,099,321.00	56,411,331.00
2012	45,797,259.00	6,200,201.00	51,997,460.00
2013	41,015,460.00	6,519,361.00	47,534,821.00
2014	33,563,737.00	6,617,971.00	40,181,708.00
2015	31,381,324.00	3,474,251.00	34,855,575.00
2016	27,644,934.00	3,410,954.00	31,055,888.00
2017	24,257,834.00	3,393,424.00	27,651,258.00
2018	20,663,881.00	3,270,784.00	23,934,665.00
2019	20,468,559.00	3,148,144.00	23,616,703.00
2020	20,136,302.00	2,925,504.00	23,061,806.00
2021	17,703,379.00	2,819,474.00	20,522,853.00
2022	16,374,755.00	2,698,241.00	19,072,996.00
2023	14,991,188.00	2,677,008.00	17,668,196.00
2024	11,464,441.00	2,538,504.00	14,002,945.00
2025	11,424,501.00	-	11,424,501.00
2026	10,921,563.00	-	10,921,563.00
2027	9,860,563.00	-	9,860,563.00
2028	1,224,750.00	-	1,224,750.00
	$514,500,607.00	$57,613,324.63	$572,113,931.63

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APPENDIX C-3
DESCRIPTION OF
COUNTY OF WARREN

There follows in this Appendix C-3 a brief description of the County of Warren (the "County"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds. The information in this section concerning the County has been obtained from sources that the Agency believes to be reliable, but the Agency takes no responsibility for the accuracy thereof.

GENERAL INFORMATION

Description

The County, named after the Revolutionary War hero General Joseph Warren, was officially established on March 12, 1813 when it was split off from the County of Washington. The County encompasses 883 square miles and according to the 2008 Census, has a population of 65,971. The County is located 200 miles north of the City of New York. The County is bounded by the County of Essex to the north, the County of Saratoga to the south, the County of Washington to the east and the County of Hamilton to the west.

The County's employment base is quite diverse. A large portion of the County's workforce is employed in the education, service and health industries. Data compiled by the U.S. Bureau of the Census in 2000 indicates that the education, service and health industry accounted for 23% of the employment in the area. In 1999, there were 2,313 private non farm establishments within the County, the largest employer being Glens Falls Hospital which employs more than 2,800 workers.

Agriculture continues to play an important role in the economy of the County. According to information provided by the U.S. Department of Agriculture, the amount of land in farms increased 58% from 5,811 acres in 1992 to 9,187 in 1997 and the market value for agricultural products sold was $2,180,000. The County's top agricultural commodities include nursery and greenhouse crops, dairy products, cattle and calves, hay silage, field seeds and grass seeds and milk goats and goat's milk. The County's urban area is centered in the City of Glens Falls, where a variety of industrial, commercial and cultural activities can be found.

The County also attracts many visitors each year who travel to the area for its natural scenery. Situated in the middle of the Adirondack Mountains, the County offers tourists numerous lakes, ponds, hiking trails and campgrounds. In particular, the town of Queensbury boasts many town parks, while the town of Lake George is home to one of the cleanest bodies of water in the U.S.

National Grid services the entire County's electricity needs and provides natural gas to Glens Falls and Queensbury.

Residents of the County also have access to telecommunication services. There are many T1 and T3 customers located in Glens Falls, Queensbury and Warrensburg who are service by Verizon. AT&T has a presence in Glens Falls while PaeTec Communications installed a switch in Glens Falls and offers voice, date and Internet services. Time Warner offers cable modem Internet services in Glens Falls and four other towns in the County.

Population Trends

	Warren County	New York State	United States
1980	54,854	17,558,072	226,504,825
1990	59,209	17,990,455	249,632,692
2000	63,303	18,976,457	284,968,348
2008	65,971	19,490,297	304,059,724

Source: U.S. Department of Commerce, Bureau of the Census.

Ten Largest Employers

Name	Type	Employees
Glens Falls Hospital	Health Care	2,810
C. R. Bard, Inc.	Medical Device Manufacturing	941
Finch, Pruyn & Co., Inc.	Pulp and Paper Manufacturing	880
Boston Scientific/NAMIC	Medical Device Manufacturing	812
Community, Work and Independence	Human Resources	741
The Sagamore	Resort	500
Hudson Headwaters Health Network	Health Care	408
Glens Falls National Bank	Financial Services	405
Tribune Media Service	Entertainment Products	400
Wal-Mart	Retail Store	400

Source: City of Glens Falls.

Ten Largest Taxpayers

Name	Type	Assessed Valuation
New York State	Government	$ 190,208,343
National Grid	Utility	104,160,828(1)
Finch Paper, LLC	Commercial	59,666,200
Erie Boulevard Hydropower	Utility	40,339,792
Sagbolt, LLC	Commercial	37,693,500
Pyramid Mall of G.F. NEWCO, LLC	Commercial	32,775,500(1)
FH OPCO, LLC	Utility	20,498,000
Great Escape Theme Park, LLC	Amusement Park	16,579,700
G F Lehigh Cement Corp.	Commercial	16,208,400
Fort William Henry Corp.	Commercial	15,089,600(1)

The total estimated assessed valuation of the top **ten (10)** taxpayers represents approximately 6.6% of the tax base of the County.

(1) Tax Certiorari has been filed to lower the assessment. As of the date of this Appendix no rulings have been made on such assessments and therefore, the County does not know the final impact which may result from such Tax Certioraris.

Form of County Government

A 20 member Board of Supervisors that represents each of the 11 towns and the City of Glens Falls (the "City") governs the County, possessing both legislative and executive powers. The members are assigned weighted voting powers based on population in each respective election district. Each member of the board is elected bi-annually. The Town of Queensbury and the City each have five representatives on the Board. The Chairman of the Board is the chief elected official of the County. The Chairman is elected annually.

Financial Organization

The County Board of Supervisors meets at both regular and special meetings throughout the year. The County Board of Supervisors reviews and adopts the annual County budget, levies taxes, reviews and approves any modifications to the budget, and authorizes all indebtedness of the County. The County Treasurer is the Chief Fiscal Officer. The County Administrator is the Budget Officer.

Budgetary Procedures

Preparation and final adoption of the County Budget is governed by Article 7 of the County Law. Budget forms are sent to appropriate department heads in July. Department heads must submit their departmental budget to the Budget Officer in September. On or before November 1, the Budget Officer files the tentative budget with the Clerk of the Board of Supervisors. In the third week of November, the Board of Supervisors reviews and may revise the tentative budget. The Board of Supervisors reviews the tentative budget, as may be amended, and a public hearing is held. The tentative budget as changed, altered or revised is adopted by resolution of the Board of Supervisors on or before December 20th. The budget is not subject to referendum.

Unemployment Rate Statistics

	Year Average				
	2004	**2005**	**2006**	**2007**	**2008**
Warren County	4.9%	4.6%	4.7%	4.6%	5.8%
New York State	5.8%	5.0%	4.6%	4.5%	5.4%

2009 Monthly Figures

	Jan	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Warren County	10.0%	10.4%	10.0%	8.3%	7.4%	7.1%	6.6%	6.7%	7.2%	7.7%	N/A	N/A
New York State	7.6%	8.4%	8.1%	7.5%	7.9%	8.6%	8.6%	8.7%	8.8%	8.7%	N/A	N/A

County Employees

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

Number of Employees	Bargaining Unit	Contract Expiration Date
491	Civil Service Employees Association	December 31, 2011
68	Police Benevolent Association	December 31, 2011
107	Sheriff's Employees Alliance	December 31, 2010

COUNTY INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the County and its debt contracting margin.

Net Debt Contracting Margin
As of December 1, 2009[(1)]

Full Valuation of Taxable Real Property	$9,134,193,695
Average Debt Limit	639,393,559
Gross Indebtedness [(2)]	$ 27,150,000
Less: Exclusions	0
Total Net Indebtedness	$ 27,150,000
Net Debt Contracting Margin	612,243,559
Percentage of Debt Contracting Power Exhausted	4.25%

(1) The County has not incurred any indebtedness since the date of this table.

(2) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the County. The County expects to sell $21,480,000 of Local ARRA Bonds to the Agency in connection with the refunding of certain outstanding bond anticipation notes. Such Local ARRA Bonds, when issued, will constitute Gross Indebtedness of the County.

Estimated Overlapping Indebtedness

In addition to the County, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the County. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year in 2007 of the respective municipalities, school districts and fire districts.

Unit	Outstanding Indebtedness	Exclusions(1)	Net Indebtedness
Town(s) (11):	$22,387,249	$11,252,828	$11,134,421
Village(s) (1):	3,714,461	1,469,850	2,244,611
City(1):	18,366,685	8,327,685	10,039,000
School Districts (9):	146,526,462	75,824,078	66,702,384
Fire Districts (6):	4,785,577	245,332	4,540,245
TOTAL			$94,660,661

(1) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes, reserves for bonded indebtedness and, in the case of certain school district, estimated State building aid.

Debt Ratios

The table below sets forth certain ratios relating to the County's indebtedness, without giving effect to this financing, as of December 1, 2009.

	Amount of Indebtedness	Per Capita(1)	Percentage of Full Valuation(2)
Gross Direct Indebtedness(3)	$ 27,150,000	$ 411.54	.24%
Net Direct Indebtedness(3)	27,150,000	411.54	.24%
Gross Direct Plus Net Overlapping Indebtedness(4)	121,810,661	1,846.43	1.07%
Net Direct Plus Net Overlapping Indebtedness(4)	121,810,661	1,846.43	1.07%

(1) Based on the County's current estimated population of 65,971.
(2) Based on the County's full value of taxable real estate for 2009 of $11,417,798,886.
(3) See "Debt Statement Summary" herein.
(4) The County's estimated applicable share of net overlapping indebtedness is $94,660,661. (See "Estimated Overlapping Indebtedness" herein.)

Cash Flow Borrowing

The following is a history of Tax Anticipation Note ("TAN") and Revenue Anticipation Note ("RAN") borrowings for the last five years.

Fiscal Year	Amount	Type	Issue Date	Due Date
2009	$4,500,000	TAN	2/5/09	4/28/09
2009	1,700,000	RAN	2/5/09	3/31/09

Capital Project Plans

The County has approved the capital projects and issued the bond anticipation notes listed below (the "Outstanding Notes"). The Outstanding Notes will be called and redeemed with the proceeds received by the County from the sale of its Local ARRA Bonds to the Agency:

Project	Amount
County Facility Building	$16,750,000
Gaslight Village	1,200,000
Airport Hanger	1,000,000
Bridges	500,000
Point of Care Nurse System	542,975
Soil & Water Building	451,815
Railroad Stations	429,000
DPW Equipment	2,495,225
	$23,369,015

In addition, the County has authorized the issuance of $7,000,000 to finance the reconstruction of the Corinth Road.

LITIGATION

The County is subject to lawsuits in the ordinary conduct of its affairs. There are currently pending against the County several lawsuits. The County does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the County.

The County has received notice of some new potential claims and notices of claims, unrelated to the bond resolutions, that should be covered by insurance (less deductibles) and/or should result in exposure well under the $100,000 individual or $200,000 aggregate threshold for materiality used by County Auditors and should not pose a material threat to the County finances.

In addition, the County along with Washington County, the Industrial Development Agency ("IDA"), InterCounty Solid Waste Committee, County Waste (a private hauler with whom the contract was made) and R. S. Lynch & Co. (the company providing solid waste financial and coordination services to the Counties and IDA) was served with article 78 petition on October 20, 2009 concerning a contract awarded to County Waste by the IDA to bring solid waste to the trash plant. It is anticipated that the IDA will be aggressively defending the contract as valid.

This lawsuit could have a potential impact to the County by way of the fact that the service fee paid by the County depends, in part, on how much other revenue the plant brings in. This is by virtue of a service fee sharing agreement that the County has with Washington County (Washington County in turn has a contract with the IDA and the IDA has an operating contract together with a purchase option and certain other agreements with Wheelbrator). The challenged IDA waste contract would appear to provide a revenue benefit to the Burn Plant of approximately $ 1.5 million dollars.

MATERIAL EVENTS NOTICES

The County is in compliance with all prior undertakings pursuant to Rule 15c2-12.

FINANCIAL FACTORS

General Information

County finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal

Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") and are incorporated by reference herein. As reflected in such audited financial statements, the County derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

The County-wide property tax is levied by the County upon the taxable real property in the towns and cities in the County. The levy is effective January 1, the lien date, and is based on the assessed valuation of property located in the County as of the preceding March 31. Such taxes are collected by the respective collection officers in each town and city.

County taxes are due by February 1, and penalties are imposed as follows: 1% prior to March 1, and 1% additional each month thereafter. All towns first retain their share of taxes from collections and remit the balance to the County. Also, a 5% penalty is charged when the taxes are returned to the County by the tax collectors on March 31 of each year. The City of Glens Falls and the Village of Lake George each levy and collect their city taxes. County taxes collected by these municipalities are remitted to the County periodically.

Valuations and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the County's real property tax levy for the last five years.

Valuations for Years Ending December 31

	2005	2006	2007	2008	2009
Assessed Valuation:	$5,881,044,176	$7,118,810,082	$7,277,786,656	$7,377,028,064	$8,109,038,779
New York State Equalization Rate:	81.04%	81.22%	70.58%	69.76%	71.02%
Full Valuation:	$6,696,590,905	$7,736,651,775	$9,244,846,095	$10,575,080,812	$11,417,798,886

Tax Rates Per $1,000 Assessed Valuation for Years Ending December 31

2005	2006	2007	2008	2009
$29.34	$28.64	$33.53	$34.72	$36.65

Tax Collection Record

	2005	2006	2007	2008	2009 (1)
Total Tax Levy:	$43,982,459	$45,951,339	$50,495,754	$53,878,223	$54,389,436
Collected During Year:	96.1%%	95.3%	95.0%	94.5%	90.6%
Uncollected December 31:	$1,740,142	$2,167,382	$2,510,908	$2,974,666	5,106,981
% Uncollected When Due:	3.9%	4.7%	5.0%	5.5%	9.4%

(1) As of October 23, 2009.

State Aid

The County receives financial assistance from the State. For the 2008 fiscal year, approximately 14% of the revenues of the County are estimated to have been received in the form of State aid. In its budget for the 2009 fiscal year, approximately 12% of the revenues of the County are estimated to be in the form of State aid.

See also "PART 5 – THE MUNICIPALITIES – Financial Factors – *State Aid*."

Status and Financing of Employee Pension Payments

The County's payments to the New York State and Local Employees' Retirement System ("ERS") since the 2005 fiscal year, and the budgeted payments for the 2009 fiscal year are as follows:

Year	ERS
2005	$3,479,780
2006	3,752,432
2007	3,319,241
2008	3,109,157
2009 (budgeted)	3,719,799

The County does not have any employees who are members of the State and Local Police and Fire Retirement System.

See, also "PART 5 – THE MUNICIPALITIES – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The County has contracted with Harbridge Consulting Group to calculate its "other post-employment benefits" ("OPEB") liability in accordance with GASB 45. The County's present value OPEB liability has been determined to be $227,496,723 at December 31, 2008. The County's annual required contribution ("ARC") as of December 31, 2008 is $15,123,065. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the County's 2008 financial statements.

See also "PART 5 – THE MUNICIPALITIES – Financial Factors – *GASB 45 and OPEB*."

Recent Operating Results

The total General Fund Balance at December 31, 2008 was $5,754,783. The General Fund Revenues were $117,153,209 and the General Fund Expenditures were $117,164,991. The modified 2008 budget called for a reduction in fund balance of $4 million but it actually was reduced by $2.9 million, resulting in a budget surplus of $1.1 million.

Projected results for year end 2009 indicate that sales tax will be down approximately $4.1 million from budgeted figures. That decline combined with the payments of service fees to the Warren-Washington Industrial Development Agency in excess of budget is projected to cause a $7.1 million budget gap during the 2009 fiscal year. The gap is expected to be closed through federal stimulus funding via the increased Federal Medical Assistance Percentage (FMAP) and savings on expenditures from voluntary furloughs, layoffs, changes to health insurance and delays in equipment purchases. The General Fund balance is projected to decline to approximately $4.0 million at December 31, 2009.

Principal and Interest Requirements

A schedule of the County's debt service on all outstanding indebtedness, including the County's Local ARRA Bonds, is presented below.

Fiscal Year	Existing Debt Service	New Debt Service	Total Debt Service
2009	$1,897,951.50	$ -	$1,897,951.50
2010	1,851,569.50	1,513,855.60	3,365,425.10
2011	1,755,187.50	1,556,417.60	3,311,605.10
2012	1,709,187.50	1,552,715.10	3,261,902.60
2013	1,663,187.50	1,551,076.60	3,214,264.10
2014	1,617,187.50	1,553,971.60	3,171,159.10
2015	1,571,187.50	1,555,544.60	3,126,732.10
2016	1,525,187.50	1,551,090.10	3,076,277.60
2017	1,479,187.50	1,550,813.60	3,030,001.10
2018	1,433,187.50	1,554,509.60	2,987,697.10
2019	1,387,187.50	1,551,972.60	2,939,160.10
2020	1,341,187.50	1,553,408.10	2,894,595.60
2021	1,295,187.50	1,556,360.60	2,851,548.10
2022	1,247,750.00	1,552,269.10	2,800,019.10
2023	1,198,875.00	1,556,389.10	2,755,264.10
2024	-	1,558,209.60	1,558,209.60
2025	-	1,552,730.60	1,552,730.60
2026	-	1,555,207.60	1,555,207.60
2027	-	1,555,129.60	1,555,129.60
2028	-	1,552,496.60	1,552,496.60
2029	-	1,548,108.60	1,548,108.60
2030	-	1,550,676.60	1,550,676.60
2031	-	1,531,157.16	1,531,157.16
2032	-	1,513,619.00	1,513,619.00
2033	-	1,502,831.66	1,502,831.66
2034	-	1,483,215.16	1,483,215.16
	$22,973,208.50	$38,613,776.08	$61,586,984.58

APPENDIX C-4
DESCRIPTION OF
COUNTY OF WAYNE

There follows in this Appendix C-4 a brief description of the County of Wayne (the "County"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds. The information in this section concerning the County has been obtained from sources that the Agency believes to be reliable, but the Agency takes no responsibility for the accuracy thereof.

GENERAL INFORMATION

Description

The County is located in upstate New York with the County Seat situated in the Village of Lyons. The Village is located just north of the New York State Thruway, approximately 20 miles east of the City of Rochester and approximately 45 miles west of the City of Syracuse. The City of Geneva is located 15 miles to the south.

With a land area of 621 square miles and a population of 91,564 (2008 U.S. Census), the County is agricultural and residential in nature. Employment opportunities, as well as commercial and professional services are available within the County, mainly in the various incorporated villages. Such opportunities and services are also available to County residents in the Cities of Rochester and Geneva.

Various highways serving the County include Interstate #90 and State highways #14, 31, 88 and 104. Air transportation is available through the Monroe County airport near Rochester and Syracuse Hancock International Airport. Gas and electric are provided by National Grid and phone services are provided by Verizon.

Higher education opportunities are made available through various universities and colleges within an hour drive. Some of the institutions include Rochester Institute of Technology and University of Rochester in Rochester and Syracuse University and LeMoyne College in Syracuse.

Empire State Development, New York State's economic development arm, recently approved an Empire Zone in the County. Empire Zones are one of the State's most active tools for rejuvenating regional economies. Typically two square miles in size, they offer special incentives to encourage economic development, job creation and business expansion. Major benefits include a credit for property taxes paid, a sales-tax exemption on the purchase of property or services used by the business, and a tax credit for business taxes paid. Other inducements include the Wage Tax Credit, the EZ Investment Tax and Employment Incentives Credit, the Zone Capital Credit, utility rate savings, and technical assistance from qualified professionals. Companies in the Zones retain benefits for up to 10 years, with additional savings available on a declining basis in years 11 through 15.

Population Trends

	County	New York State	United States
1980	84,581	17,558,072	226,504,825
1990	89,123	17,990,455	249,632,692
2000	93,765	18,976,457	284,968,348
2008	91,564	19,490,297	304,059,724

Source: U.S. Department of Commerce, Bureau of the Census.

Ten Largest Employers

Name	Type	Employees
Wayne County	Government	950
Garlock Sealing Technologies	Manufacturing – Gaskets	615
The Pilant Corporation	Manufacturing – Plastic Bags	518
Ultralife Inc.	Manufacturing – Lithium Batteries	478
Parker Hannifan Corp	Manufacturing – Machine Parts	455
Motts North America	Food Processor	80-353 (1)
Seneca Foods	Food Processor	12-350 (1)
Erm Thermal Technologies	Mechanical Components	103
Fowler Brothers	Apple Packing	80-250 (1)
Baldwin Richardson	Food Processor – Desert Toppings	200

Source: Wayne County

(1) First figure represents full-time year round employment and the second represents seasonal employment.

Ten Largest Taxpayers

Name	Type	Full Valuation
R.E. Ginna Nuclear Power Plant	Utility	$373,098,053(1)
New York State Electric & Gas	Utility	53,611,351
Verizon	Telephone Utility	24,684,085
Empire Pipeline	Gas Distribution	25,357,710
Walmart	Retail	16,705,300
Madeira Assoc.	Game Farm	11,896,570
Marshall Farms	Research	12,442,686
Orchard Grove Park	Mobile Home Park	8,112,350
Whispering Woods	Mobile Home Park	9,501,600
Macedon Land Assoc.	Food Processing	8,600,000

(1) R.E. Ginna Nuclear Power Plant began a Payment in Lieu of Taxes (PILOT) program in 2005 for five (5) parcels totaling $2,065,935.04. The amount paid in taxes for 2008 is $2,199,042.95

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 12.5% of the tax base of the County.

Form of County Government

Government of the County is the responsibility of a 15-member Board of Supervisors, who are elected by the residents of each of the towns within the County. One member is selected as Chairman by the members themselves. Thirteen Supervisors are elected to two-year terms and run concurrently and two Supervisors are elected to a four-year term.

Financial Organization

The County Board of Supervisors meets at both regular and special meetings throughout the year. The County Board of Supervisors reviews and adopts the annual County budget, levies taxes, reviews and approves any modifications to the budget, and authorizes the incurrence of all indebtedness of the County. The County Treasurer is the Chief Fiscal Officer and is elected to a four-year term.

Budgetary Procedures

The County Administrator acts as the Budget Officer and is responsible for the preparation of a proposed annual County budget and its submission to the Finance Committee of the Board of Supervisors prior to November 15th. Within fifteen days of receipt of the proposed budget, the Finance Committee reviews said budget and recommends such alterations as it deems appropriate to the Board of Supervisors. Following a public hearing on the proposed budget, including the alterations as recommended by the Finance Committee, the question of adoption of the proposed budget is placed before the Board of Supervisors for their consideration. The Board of Supervisors is required to adopt a budget no later than December 20th. Expenditure during the fiscal year may only be made pursuant to appropriations from the General Fund or other special purpose funds established by the Board of Supervisors. However, during the fiscal year, the Board of Supervisors, by resolution, may make additional appropriations from any unencumbered balance in appropriations, contingent funds or unanticipated revenues.

Unemployment Rate Statistics

	Year Average				
	2004	**2005**	**2006**	**2007**	**2008**
Wayne County	5.5%	5.0%	4.8%	4.8%	5.9%
New York State	5.8%	5.0%	4.6%	4.5%	5.4%

	2009 Monthly Figures											
	Jan	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Wayne County	9.2%	9.8%	9.8%	8.4%	8.1%	8.4%	8.0%	7.7%	7.8%	7.6%	N/A	N/A
New York State	7.6%	8.4%	8.1%	7.5%	7.9%	8.6%	8.6%	8.7%	8.8%	8.7%	N/A	N/A

County Employees

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

Number of Employees	Bargaining Unit	Contract Expiration Date
663	C.S.E.A. – General Unit	December 31, 2010
70	Corrections	December 31, 2010
45	IUE - Caseworkers	December 31, 2010
53	CSEA – Supervisory Unit	December 31, 2010
1	Lieutenants	December 31, 2010
65	Sheriff's – Road Patrol and Investigations	December 31, 2010

Note: There is a Management group of 195 employees which does not have a contract or a bargaining unit.

COUNTY INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the County and its debt contracting margin.

Net Debt Contracting Margin
As of December 1, 2009[1]

Full Valuation of Taxable Real Property	$4,161,182,882
Average Debt Limit	291,282,802
Gross Indebtedness [2]	$ 19,050,000
Less: Exclusions	0
Total Net Indebtedness	$ 19,050,000
Net Debt Contracting Margin	272,232,802
Percentage of Debt Contracting Power Exhausted	6.54%

(1) The County has not incurred any indebtedness since the date of this table.

(2) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the County. The County expects to sell $9,810,000 of Local ARRA Bonds to the Agency in connection with the financing of the County's Office Building reconstruction project. Such Local ARRA Bonds, when issued, will constitute Gross Indebtedness of the County and will alter the percentage of debt contracting power exhausted accordingly.

Estimated Overlapping Indebtedness

In addition to the County, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the County. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year in 2007 of the respective municipalities, school districts and fire districts.

Unit	Outstanding Indebtedness	Exclusions[1]	Net Indebtedness
Towns (15):	$ 24,243,919	$ 20,993,319	$ 3,250,600
Villages (10):	12,712,732	6,588,614	6,124,118
School Districts (11):	166,913,671	137,303,186	29,610,485
Fire Districts (14):	558,708	0	558,708
TOTAL	$ 204,429,030	$164,885,119	$ 39,543,911

(1) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes, reserves for bonded indebtedness and, in the case of certain school district, estimated State building aid.

Debt Ratios

The table below sets forth certain ratios relating to the County's indebtedness, without giving effect to this financing, as of December 1, 2009.

	Amount of Indebtedness	Per Capita[1]	Percentage of Full Valuation[2]
Gross Direct Indebtedness[3]	$19,050,000	$ 208.05	0.43%
Net Direct Indebtedness[3]	19,050,000	208.05	0.43%
Gross Direct Plus Net Overlapping Indebtedness[4]	58,593,911	639.92	1.33%
Net Direct Plus Net Overlapping Indebtedness[4]	58,593,911	639.92	1.33%

(1) Based on the County's current estimated population of 91,564.
(2) Based on the County's full value of taxable real estate for 2008-09 of $4,413,308,089.
(3) See "Debt Statement Summary" herein.
(4) The County's estimated applicable share of net overlapping indebtedness is $39,543,911. (See "Estimated Overlapping Indebtedness" herein.)

Cash Flow Borrowing

The County has not issued Tax Anticipation Notes or Revenue Anticipation Notes within the last five fiscal years and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

The County has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the Bonds.

LITIGATION

The County is subject to lawsuits in the ordinary conduct of its affairs. There are currently pending against the County several lawsuits. The County does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the County.

MATERIAL EVENTS NOTICES

The County is in compliance with all prior undertakings pursuant to Rule 15c2-12.

FINANCIAL FACTORS

General Information

County finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") and are incorporated by reference herein. As reflected in such audited financial statements, the County derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Real property is assessed for taxation by local assessors in each Town and is place on the respective tax rolls. There is no County Board of Assessors.

Real property taxes for County purposes are levied together with taxes for town and special district purposes on January 1, and are due within 30 days. These taxes become an enforceable line on property on October 10. The towns and special districts receive the full amount of their levies annually. The County assures enforcement responsibility for all unpaid taxes in the towns and special districts. Unpaid village and school district taxes are turned over to the County for collection; any such taxes remaining unpaid at year-end are relevied as County taxes in the subsequent year.

After the return of the tax rolls to the County Treasurer on April 1, the following penalties accrue with respect to delinquent taxes: 5% is added to the tax plus an interest charge of 1% per month until tax sales. The County holds its annual tax sale in October for each year's taxes.

Valuations and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the County's real property tax levy for the last five years.

Valuations for Years Ending December 31

	2005	**2006**	**2007**	**2008**	**2009**
Assessed Valuation:	$3,987,608,081	$3,986,662,552	$3,942,356,262	$4,206,615,905	$4,355,766,679
New York State Equalization Rate:	99.66%	97.00%	96.74%	98.35%	98.69%
Full Valuation:	$4,001,212,202	$4,109,961,394	$4,074,096,117	$4,207,336,607	$4,413,308,089

Note: Assessed value for 2006 and 2007 decline due to R.E. Ginna Nuclear Power Plant agreeing to a PILOT program.

Tax Rates Per $1,000 Assessed Valuation for Years Ending December 31

2005	**2006**	**2007**	**2008**	**2009**
$9.51	$9.54	$9.04	$8.45	$7.94

Tax Collection Record
(in thousands)

	2005	**2006**	**2007**	**2008**	**2009**(1)
Total Tax Levy:	$65,967	$64,116	$64,228	$65,642	$64,214
Collected During Year:	94.4%	93.6%	93.8%	91.5%	91.3%
Uncollected December 31:	$3,670	$4,118	$4,002	$5,590	$5,587
% Uncollected When Due:	5.6%	6.4%	6.2%	8.5%	8.7%

(1) As of October 31, 2009.

State Aid

The County receives financial assistance from the State. For the 2008 fiscal year, approximately 17.2% of the revenues of the County are estimated to have been received in the form of State aid. In its budget for the 2009 fiscal year, approximately 18.3% of the revenues of the County are estimated to be in the form of State aid.

See also "PART 5 – THE MUNICIPALITIES – Financial Factors – *State Aid*."

Status and Financing of Employee Pension Payments

The County's payments to the New York State and Local Employees' Retirement System ("ERS") since the 2005 fiscal year, and the budgeted payments for the 2009 fiscal year are as follows:

Year	ERS
2005	$4,203,115
2006	3,655,070
2007	3,595,930
2008	3,403,363
2009 (budgeted)	4,637,889

The County does not have any employees who are members of the State and Local Police and Fire Retirement System.

See, also "PART 5 – THE MUNICIPALITIES – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The County has contracted with Armory Associates, LLC to calculate its "other post-employment benefits" ("OPEB") liability in accordance with GASB 45. The County's present value OPEB liability has been determined to be $48,456,450 at December 31, 2008. The County's annual required contribution ("ARC") as of December 31, 2008 is $2,969,753. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the County's 2008 financial statements. The County has set aside $0 toward its OPEB liability.

See also "PART 5 – THE MUNICIPALITIES – Financial Factors – *GASB 45 and OPEB*."

Recent Operating Results

The total General Fund Balance at December 31, 2008 was $70,341,328, up from $64,989,137 at December 31, 2007. The General Fund Revenues were $126,577,868 and the General Fund Expenditures were $110,323,576. Revenues in 2008 were less than in 2007 due to reduced tax receipts, interest income and federal/state aid.

The 2009 County budget utilized $2.7 million appropriated fund balance. It is projected that the County will not use any of these monies for the fiscal year ending December 31, 2009.

Principal and Interest Requirements

A schedule of the County's debt service on all outstanding indebtedness, including the County's Local ARRA Bonds, is presented below.

Fiscal Year	Existing Debt Service	New Debt Service	Total Debt Service
2009	$1,633,078.13	$ -	$1,633,078.13
2010	1,599,046.88	720,385.54	2,319,432.42
2011	1,565,015.63	741,530.76	2,306,546.39
2012	1,530,984.38	740,266.76	2,271,251.14
2013	1,496,953.13	742,647.26	2,239,600.39
2014	1,462,921.88	739,716.76	2,202,638.64
2015	1,428,890.63	739,030.76	2,167,921.39
2016	1,394,859.38	742,933.76	2,137,793.14
2017	1,360,828.13	741,220.26	2,102,048.39
2018	1,326,796.88	739,095.76	2,065,892.64
2019	1,292,765.63	741,560.26	2,034,325.89
2020	1,258,734.38	738,408.26	1,997,142.64
2021	1,224,703.13	741,545.26	1,966,248.39
2022	1,190,671.88	738,660.26	1,929,332.14
2023	1,156,640.63	740,008.76	1,896,649.39
2024	1,122,609.38	740,335.26	1,862,944.64
2025	1,088,578.13	739,639.76	1,828,217.89
2026	1,054,546.88	737,922.26	1,792,469.14
2027	1,020,515.63	740,182.76	1,760,698.39
2028	985,968.75	736,165.76	1,722,134.51
2029	950,906.25	736,026.76	1,686,933.01
2030	940,312.50	739,428.26	1,679,740.76
2031	904,187.50	727,037.10	1,631,224.60
2032	868,062.50	712,898.70	1,580,961.20
2033	-	697,013.06	697,013.06
2034	-	679,380.16	679,380.16
	$29,858,578.22	$18,333,040.26	$48,191,618.48

APPENDIX C-5
DESCRIPTION OF
COUNTY OF MONTGOMERY

There follows in this Appendix C-5 a brief description of the County of Montgomery (the "County"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds. The information in this section concerning the County has been obtained from sources that the Agency believes to be reliable, but the Agency takes no responsibility for the accuracy thereof.

GENERAL INFORMATION

Description

The County, established on March 12, 1772, has a land area of 400 square miles and a population of 48,679 according to the 2008 census. The County, which is located in east central New York State about midway between the Cities of Albany and Utica, consists of the City of Amsterdam and 10 towns (Amsterdam, Canajoharie, Charleston, Florida, Glen, Minden, Mohawk, Palatine, Root and St. Johnsville) and includes 10 incorporated villages (Ames, Canajoharie, Fonda, Fort Johnson, Fort Plain, Fultonville, Hagaman, Nelliston, Palatine Bridge and St. Johnsville).

The County has an economic base comprising primarily of manufacturing, commercial, government and agricultural sectors. The manufacturing sector that once dominated the local economy, now accounts for slightly less than one-third of the employment within the County. The major industries are in electronics, food and apparel. The services industry, which includes retail trade, wholesale trade and government, represents approximately 60% of total employment in the County.

Major highways serving the County include the New York State Thruway, and State Routes #5, #5S, #10, #30, #30A and #67. The highway system within the County consists of 180 miles of State roads, 395 miles of County roads and 295 miles of town roads.

Rail transportation, both passenger and freight, is provided by AMTRAK and CSX, respectively.

Air transportation is available at the Oneida and Albany County Airports.

Population Trends

	County	New York State	United States
1980	53,439	17,558,072	226,504,825
1990	51,981	17,990,455	249,632,692
2000	49,708	18,976,457	284,968,348
2008	48,679	19,490,297	304,059,724

Source: U.S. Department of Commerce, Bureau of the Census.

Ten Largest Employers

Name	Type	Employees
St. Mary's Hospital	Hospital	1,124
Liberty Enterprises	Food Processing, Cleaning Agents	850
Kasson & Keller/Keymark Corporation	Aluminum Extrusions	831
Amsterdam Printing & Litho (Holland USA)	Printing, Advertising Specialties	600
Montgomery County	Government	600
Target	Retail Warehouse	551
Greater Amsterdam School District	Education	545
Beech Nut Nutrition	Candy, Baby Food Cereal	473
HFM BOCES	Education	419
Amsterdam Memorial Hospital	Hospital	410

Source: Montgomery County Economic Development/Planning Department, as of December 2008.

Ten Largest Taxpayers

Name	Type	Full Valuation
National Grid	Utility	$97,587,532
Iroquois Gas Transmission System	Utility	28,448,231
New York Central Lines LLC	Railroad	13,097,533
CNG Transmission Corporation	Utility	11,201,677
Beech-Nut Nutrition Corporation	Manufacturing	9,871,696
Citizens Communications	Utility	9,768,699
GDC Montgomery Limited	Retail	9,130,000
Business Trust Wal-Mart Stores	Retail	8,550,000
Verizon New York, Inc.	Utility	7,836,064
Lowes Home Centers, Inc.	Retail	7,650,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 9.2% of the tax base of the County.

Form of County Government

The County is divided into 15 Legislative Districts with a supervisor representing each District. There is one supervisor elected from each town and five supervisors from the City of Amsterdam. These 15 supervisors constitute the Board of Supervisors. The Chairman of the Board of Supervisors is appointed annually at the first meeting of the year and is currently the chief executive officer of the County. The County Treasurer, the Chief Financial Officer, is elected for a four-year term and also serves as the Budget Officer. The County Clerk, Sheriff and District Attorney are also elected for four-year terms. The Board of Supervisors appoints the Commissioner of Public Works, Commissioner of Social Services, County Attorney, Director of Real Property Tax Services and other County officials.

Financial Organization

The County Board of Supervisors meets at both regular and special meetings throughout the year. The County Board of Supervisors reviews and adopts the annual County budget, levies taxes, reviews and approves any modifications to the budget, and authorizes the incurrence of all indebtedness of the County. The County Treasurer is the Chief Fiscal Officer.

Budgetary Procedures

Preparation and final adoption of the County Budget is governed by Article 7 of the County Law. Budget forms are sent to appropriate department heads in July. Department heads must submit their departmental budget to the Budget Officer in September. The Budget Officer prepares a tentative budget that is submitted for review by the

County Finance Committee and upon review, as may be amended, is submitted to the Board of Supervisors. The Board of Supervisors reviews the tentative budget, as may be amended, and a public hearing is held. The tentative budget as changed, altered or revised is adopted by resolution of the Board of Supervisors on or before December 20th. The budget is not subject to referendum. The fiscal year of the County is the calendar year.

Unemployment Rate Statistics

	Year Average				
	2004	**2005**	**2006**	**2007**	**2008**
County	5.9%	5.4%	5.9%	5.9%	7.2%
New York State	5.8%	5.0%	4.6%	4.5%	5.4%

	2009 Monthly Figures											
	Jan	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
County	10.7%	11.5%	11.0%	9.6%	9.0%	9.2%	9.0%	8.7%	8.8%	8.8%	N/A	N/A
New York State	7.6%	8.4%	8.1%	7.5%	7.9%	8.6%	8.6%	8.7%	8.8%	8.7%	N/A	N/A

County Employees

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

Number of Employees	Bargaining Unit	Contract Expiration Date
276	Civil Service Employees' Association	December 31, 2012
22	Montgomery County Deputy Sheriff's Association	December 31, 2012
10	Correction Officer's Supervisor's Association	December 31, 2012
43	Teamsters (Correction Officers)	December 31, 2012

COUNTY INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the County and its debt contracting margin.

Net Debt Contracting Margin
As of December 1, 2009 (1)

Full Valuation of Taxable Real Property	$1,774,633,811
Average Debt Limit	124,224,366
Gross Indebtedness (2)	$ 34,963,276
Less: Exclusions	1,255,000
Total Net Indebtedness	$ 33,708,276
Net Debt Contracting Margin	90,516,090
Percentage of Debt Contracting Power Exhausted	27.13%

(1) The County has not incurred any indebtedness since the date of this table.

(2) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the County. The County expects to sell $7,560,000 of Local ARRA Bonds to the Agency in connection with the refunding of $6,383,150 of the County's outstanding bond anticipation notes and financing of the County's $2,431,200 bridge reconstruction project. Such Local ARRA Bonds, when issued, will constitute Gross Indebtedness of the County and will alter the percentage of debt contracting power exhausted accordingly.

Estimated Overlapping Indebtedness

In addition to the County, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the County. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year in 2007 of the respective municipalities, school districts and fire districts.

Unit	Outstanding Indebtedness	Exclusions(1)	Net Indebtedness
Town(s) (10):	$ 2,730,225	$ 1,818,327	$ 911,898
Village(s) (10):	12,245,211	9,880,028	2,365,183
City (1):	15,143,749	4,685,874	10,457,875
School Districts (5):	111,005,454	103,790,100	7,215,354
Fire Districts (3):	288,800	0	288,800
TOTAL			$21,239,110

(1) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes, reserves for bonded indebtedness and, in the case of certain school district, estimated State building aid.

Debt Ratios

The table below sets forth certain ratios relating to the County's indebtedness, without giving effect to this financing, as of December 1, 2009.

	Amount of Indebtedness	Per Capita[1]	Percentage of Full Valuation[2]
Gross Direct Indebtedness[3]	$34,963,276	$ 718.24	1.61%
Net Direct Indebtedness[3]	33,708,276	692.46	1.59%
Gross Direct Plus Net Overlapping Indebtedness[4]	56,202,386	1,154.55	2.65%
Net Direct Plus Net Overlapping Indebtedness[4]	54,947,386	1,128.77	2.60%

(1) Based on the County's current estimated population of 48,679.
(2) Based on the County's full value of taxable real estate for 2009 of $2,116,940,021.
(3) See "Debt Statement Summary" herein.
(4) The County's estimated applicable share of net overlapping indebtedness is $21,239,110. (See "Estimated Overlapping Indebtedness" herein.)

Cash Flow Borrowing

The County has not issued Tax Anticipation Notes or Revenue Anticipation Notes within the last five fiscal years and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

The County has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the Bonds.

LITIGATION

The County is subject to lawsuits in the ordinary conduct of its affairs. There are currently pending against the County several lawsuits. The County does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the County.

MATERIAL EVENTS NOTICES

The County is in compliance with all prior undertakings pursuant to Rule 15c2-12.

FINANCIAL FACTORS

General Information

County finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") and are incorporated by reference herein. As reflected in such audited financial statements, the County derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

County taxes are collected by the respective tax collection officers of the City of Amsterdam and the various towns in conjunction with city and town taxes. The City of Amsterdam pays the County the full amount of the collections received from the County levy by the end of its collection period which is on a quarterly basis; towns retain from the gross tax collection the total amount of their respective tax levies and return the balance plus uncollected items to the County after April 1. The City of Amsterdam enforces the collection of delinquent County tax within the City. The County assumes responsibility for and collects delinquent town taxes and holds an annual sale in May of each year.

Tax payments are due during the month of January without penalty. Penalties are one percent in February, an additional one percent in March and five percent is added on after March 31. In addition, interest at the rate of 12% per annum is imposed on delinquent taxes and penalties after April 7th, retroactive to February for the original year of levy. Commencing with the year subsequent to the original year of levy and thereafter, a rate of 12% per annum is imposed on delinquent taxes and penalties.

The County is responsible for collecting delinquent school, village, water and sewer taxes, which are turned over in November by the appropriate tax collectors. The delinquent taxes are immediately relevied by the County and added to the appropriate Town and County Tax Bills for the next ensuing January role. There are various interest and penalties added to appropriate taxes that are relevied. On March 31, the County pays the various school, villages and districts, in full, the amount that was turned over delinquent, whether collected at that time or not.

Valuations and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the County's real property tax levy for the last five years.

Valuations for Years Ending December 31

	2005	2006	2007	2008	2009
Assessed Valuation:	$1,038,136,196	$1,046,985,246	$1,091,386,553	$1,097,960,899	$1,113,809,967
New York State Equalization Rate:	70.74%	67.29%	61.64%	55.96%	52.61%
Full Valuation:	$1,467,537,738	$1,555,929,924	$1,770,506,397	$1,962,254,973	$2,116,940,021

Tax Rates Per $1,000 Assessed Valuation for Years Ending December 31

2005	2006	2007	2008	2009
$18.02	$17.39	$15.28	$13.31	$12.03

Tax Collection Record

	2005	2006	2007	2008	2009[(1)]
Total Tax Levy:	$31,259,918	$32,205,417	$32,516,046	$31,486,229	$31,486,229
Collected During Year:	96.1%	95.3%	96.0%	93.8%	85.9%
Uncollected December 31st:	1,210,237	$1,525,877	$1,311,315	$1,940,760	$4,439,076
% Uncollected When Due:	3.9%	4.7%	4.0%	6.2%	14.1%

(1) As of September 30, 2009.

State Aid

The County receives financial assistance from the State. For the 2008 fiscal year, approximately 14% of the revenues of the County are estimated to have been received in the form of State aid. In its budget for the 2009 fiscal year, approximately 16% of the revenues of the County are estimated to be in the form of State aid.

See also "PART 5 – THE MUNICIPALITIES – Financial Factors – *State Aid*."

Status and Financing of Employee Pension Payments

The County's payments to the New York State and Local Employees' Retirement System ("ERS") since the 2005 fiscal year, and the budgeted payments for the 2009 fiscal year are as follows:

Year	ERS
2005	$1,842,021
2006	1,467,010
2007	1,272,858
2008	1,036,658
2009 (budgeted)	1,264,500

The County does not have any employees who are members of the State and Local Police and Fire Retirement System.

GASB 45 and OPEB

The County is in the process of obtaining a firm to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The County anticipates that it will be in compliance with GASB 45 for its fiscal year beginning January 1, 2011.

See also "PART 5 – THE MUNICIPALITIES – Financial Factors – *Pension Payments*."

Recent Operating Results

The total General Fund Balance at December 31, 2008 was $21,663,997 down from $21,789,765 at December 31, 2007. The General Fund Revenues were $78,070,732 and the General Fund Expenditures were $78,511,973. Revenues in 2008 were less than in 2007 due to reduced tax receipts, interest income and federal/state aid.

The County anticipates that of the $5.7 million appropriated fund balance only $3 million is expected to be used for the fiscal year ending December 31, 2009.

Principal and Interest Requirements

A schedule of the County's debt service on all outstanding indebtedness, including the County's Local ARRA Bonds, is presented below.

Fiscal Year	Existing Debt Service	New Debt Service	Total Debt Service
2009	$4,075,020.20	$ -	$4,075,020.20
2010	4,377,829.06	268,516.96	4,646,346.02
2011	4,302,016.24	679,386.91	4,981,403.15
2012	4,110,282.16	678,700.91	4,788,983.07
2013	3,648,092.80	681,101.16	4,329,193.96
2014	3,636,576.01	676,537.66	4,313,113.67
2015	3,583,413.49	676,335.41	4,259,748.90
2016	3,555,829.34	680,238.91	4,236,068.25
2017	2,508,107.29	678,248.16	3,186,355.45
2018	1,864,321.93	674,761.38	2,539,083.31
2019	1,800,926.12	669,747.75	2,470,673.87
2020	1,297,838.75	664,697.15	1,962,535.90
2021	1,304,926.25	659,640.40	1,964,566.65
2022	1,225,325.00	663,561.65	1,888,886.65
2023	1,172,595.00	663,558.15	1,836,153.15
2024	1,170,748.75	657,660.40	1,828,409.15
2025	646,637.50	653,959.08	1,300,596.58
2026	646,350.00	644,188.81	1,290,538.81
2027	-	627,846.01	627,846.01
2028	-	614,930.68	614,930.68
2029	-	600,268.10	600,268.10
	$44,926,835.89	$12,813,885.64	$57,740,721.53

APPENDIX C-6
DESCRIPTION OF
CITY OF ROCHESTER

There follows in this Appendix C-6 a brief description of the City of Rochester (the "City") together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds. The information in this section concerning the City has been obtained from sources that the Agency believes to be reliable, but the Agency takes no responsibility for the accuracy thereof.

GENERAL INFORMATION

Description

The City, located in Monroe County on Lake Ontario, approximately midway between Buffalo and Syracuse, encompasses approximately 37 square miles. The City is the third largest city in the State with a population of 206,886 according to the 2008 census. It is divided into 66,643 real estate parcels according to the July 1, 2009 assessment roll, and is serviced by 539 miles of public ways. Rochester is served by three bus lines, the New York State Thruway, and 23 airlines, six major and 17 regional, at the Greater Rochester International Airport. This airport also offers support facilities for private aircraft. Rail passenger service is provided by Amtrak, and railway freight service is provided by CSX and Genesee & Wyoming, Inc., a regional railroad.

The City serves a nine-county region as its recreational, commercial, educational, health and cultural center with resources like the University of Rochester, home to a well known Medical Center, the Eastman Dental Center, the Eastman School of Music, and the Institute of Optics/New York State Center for Advanced Optical Technology, four hospitals, two of which are research hospitals, 11 public libraries, seven museums, including the International Museum of Photography at George Eastman House, theaters, and an extensive parks and recreation system.

Population Trends

	City	New York State	United States
1980	241,741	17,558,072	226,504,825
1990	231,636	17,990,455	249,632,692
2000	218,475	18,976,457	284,968,348
2008	206,886	19,490,297	304,059,724

Source: U.S. Department of Commerce, Bureau of the Census.

Ten Largest Employers

Name	Type	Employees
University of Rochester	Education	19,441
Wegman's Food Markets, Inc.	Supermarkets	13,381
Eastman Kodak Company	Photographic and Imaging Products	8,500
Rochester General Health System	Health Care	7,210
Xerox Corp.	Manufacturing	6,935
Unity Health System	Health Care	5,280
Lifetime Healthcare Cos., Inc.	Health Care	3,542
Paychex Inc.	Human Resources	3,331
Rochester Institute of Technology	Education	3,138
Harris Corp., RF Communications	Communications	2,300

Source: Rochester Business Journal, May 8, 2009.

Ten Largest Taxpayers

Name	Type	Full Valuation
Rochester Gas and Electric Corporation	Utility	$675,031,035
Eastman Kodak Company	Photographic and Imaging Products	87,530,650
Frontier Telephone Corporation	Utility	76,285,511
Buckingham Properties	Various Properties	65,120,800
Maguire Family Properties	Various Properties	20,565,800
Chase Manhattan Bank, N.A.	Banking	18,669,600
CSX	Railroad Transportation	17,581,455
Max M. Farash	Real Estate	16,556,100
NK-TCC Property, LLC	Property	16,295,800
Landsman Development Corporation	Development	15,452,800

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 17% of the tax base of the City.

Form of Government

Incorporated as a village in 1814 and as a city in 1834, the City is governed by a Mayor, who is directly elected by popular vote to a four-year term of office. As the chief executive officer and the administrative head of government, the Mayor is responsible for the administration of all City affairs, including the appointment of all department heads. The nine-member City Council is responsible for the legislative affairs of City government. Each Council member is elected to a four-year term; four by districts representing approximately one-quarter of the City's area, and five by a city-wide vote. The members of City Council elect a President, who presides at Council meetings and ceremonial occasions, and who provides the Council with leadership in the drafting and passing of legislation.

Financial Organization

The Director of Finance, the chief fiscal officer of the City, is appointed by the Mayor and confirmed by the City Council. He is responsible for the administration and control of City finances. The Department of Finance collects revenues, manages and invests cash, manages City debt, and controls financial processing. Its responsibilities include managing payroll, purchasing, and assessment operations, maintaining financial records and reports, and enforcing financial policies and standards

Budgetary Procedures

The City expenditures during each fiscal year are made pursuant to budgets for the City and the School District. Although the School District prepares its own budget and administers expenditures thereunder, it has neither taxing nor bonding authority. The School District is financially dependent upon the City with respect to those matters. The Mayor and the School District Board submit their respective budgets to the City Council for adoption after public hearings. The Council has the power to alter items included in the proposed City budgets with the exception of estimates of revenues, expenditures for indebtedness, and the payment of judgments submitted by the Mayor, and fixed charges for which the City is liable in the budget submitted by the Board of Education. The City Charter requires the Council to levy taxes in an amount sufficient to balance both budgets. Recently enacted New York State Maintenance of Effort Legislation requires that the City make a minimum contribution to the School District based on the funds provided in the most recent fiscal year. Funds contained in the capital budget and from various sources not directly controlled by the City, such as sales tax and federal funds, are not included in the minimum. The City has agreed to provide or pay on behalf of the School District a total of $119.1 million in the current fiscal year ending June 30, 2010. While the City has voluntarily agreed to provide this amount for the current fiscal year, it believes that the total includes funds that not required by the Maintenance of Effort Legislation and the Memorandum of Understanding that sets forth the total provides that it is not binding in future years.

Operating expenditures may not exceed appropriations during the fiscal year. The Council may, however, authorize additional appropriations during the year, financed by issuance of budget notes (subject to certain legal limitations), or upon recommendations by the Mayor, unappropriated surplus or unanticipated revenues.

The 2009-10 budgets of the City and the School District appropriated $452,153,500, for City purposes, and $699,482,694 for the City School District. The City has labor agreements with two of its seven bargaining units and has not granted compensation adjustments for its non-represented administrative, professional, and technical employees for the 2009-10 fiscal year. The 2009-10 costs of all settled contracts, adjustments and pending agreements will be accommodated within the 2009-10 City budget appropriation. The School District has labor agreements with one of its five bargaining units. The 2009-10 costs of all City School District settled contracts are accommodated within the 2009-10 School District appropriation.

Unemployment Rate Statistics

Year Average

	2004	2005	2006	2007	2008
Rochester MSA	5.3%	4.7%	4.5%	4.4%	5.6%
New York State	5.8%	5.0%	4.6%	4.5%	5.4%

2009 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Rochester MSA	7.9%	8.5%	8.3%	7.4%	7.7%	8.4%	8.2%	8.0%	8.0%	7.8%	N/A	N/A
New York State	7.6%	8.4%	8.1%	7.5%	7.9%	8.6%	8.6%	8.7%	8.8%	8.7%	N/A	N/A

City Employees

The City provides services through approximately 2,644 employees, who are represented by various unions, some of which are represented by the following collective bargaining organizations:

Number of Employees	Bargaining Unit	Contract Expiration Date
1,129	AFSCME Local 1635 Full Time	June 30, 2009[(1)]
97	AFSCME Local 1635 Part Time	June 30, 2011
764	Police Locust Club, Inc.	June 30, 2008[(1)]
500	International Association of Firefighters, Local 1071 Uniformed	June 30, 2008[(1)]
8	International Association of Firefighters, Local 1071 Non-Uniformed	June 30, 2009[(1)]
12	International Union of Operating Engineers, Local 832-S	June 30, 2010
134	CSEA, Local 828, Public Library Part-Time Employees	June 30, 2009[(1)]

(1) Currently in negotiation.

CITY INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the City and its debt contracting margin.

Net Debt Contracting Margin
As of December 1, 2009 (1)

Full Valuation of Taxable Real Property		$5,808,974,333
Average Debt Limit		522,807,690
Gross Indebtedness(2)		$ 382,009,562
Less: Exclusions		57,862,010
Water bonds and notes	39,161,725(3)	
Sanitary sewer bonds and notes	225,000(4)	
Appropriations	17,089,675(5)	
Cash and investments	1,385,610(6)	
Total Net Indebtedness		$ 324,147,552
Net Debt Contracting Margin		198,660,138
Percentage of Debt Contracting Power Exhausted		62.00%

(1) The City has not incurred any indebtedness since the date of this table.

(2) Represents all long-term and short-term indebtedness of the City, including water and sewer debt listed above under "Deductions and Exclusions". Also includes bonds and bond anticipation notes issued by the City totaling $335,000, the debt service on which is to be reimbursed to the City by the Rochester Pure Waters District of the County pursuant to a lease of sewerage facilities to such district by the City. The City expects to sell $98,041,949 of Local ARRA Bonds to the Agency in connection with the refunding of certain outstanding bond anticipation notes. Such Local ARRA Bonds, when issued, will constitute Gross Indebtedness of the City.

(3) Amounts excluded pursuant to Article VIII, Section 5 of State Constitution and Section 136.00 of Local Finance Law.

(4) Excluded pursuant to Section 124.10 of the Local Finance Law by order of the State Comptroller dated February 13, 1996.

(5) Represents outstanding indebtedness not otherwise excluded to the extent current budgetary appropriations, not yet realized as cash, may be applied to pay such indebtedness. Excluded pursuant to Section 136.00 of the Local Finance Law.

(6) Represents cash on hand to pay principal of outstanding indebtedness not otherwise excluded, and investment of such cash at market value pursuant to Section 136.00 of the Local Finance Law. The source of funds represents federal and/or state grants for projects already bonded and any residual proceeds from bonds and/or notes after completion of projects for which there is outstanding debt remaining.

Source: Finance Director's Office

Estimated Overlapping Indebtedness

The real property taxpayers of the City are responsible for a proportionate share of outstanding debt obligations of the County. Such taxpayers' share of this overlapping debt is based upon the amount of the City's equalized property values taken as a percentage of the County's total values. The table below sets forth both the total outstanding principal amount of debt issued by the City and the approximate magnitude of the burden on taxable property in the City of the debt instruments issued and outstanding by the County. Authorized but unissued debt has not been included.

Statement of Direct and Overlapping Indebtedness

Issuer	Outstanding Indebtedness[1] [2]	Exclusions	Net Debt Outstanding	% Within City	Applicable Net Indebtedness
Monroe County	$417,201,310	$54,253,413	$362,947,896	15.04%	$ 54,587,363
Total Net Overlapping Debt					54,587,363
Total Net Direct Debt					324,147,552
Net Direct and Overlapping Debt					$378,734,915

(1) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes, reserves for bonded indebtedness and, in the case of certain school district, estimated State building aid.

(2) As of June 29, 2009.

Source: County.

Debt Ratios

The table below sets forth certain ratios relating to the City's indebtedness, without giving effect to this financing, as of December 1, 2009.

	Amount of Indebtedness	Per Capita[1]	Percentage of Full Valuation[2]
Gross Direct Indebtedness[3]	$382,009,562	$1,846	6.06%
Net Direct Indebtedness[3]	$324,147,552	$1,566	5.14%
Gross Direct Plus Net Overlapping Indebtedness[4]	$436,596,925	$2,110	6.93%
Net Direct Plus Net Overlapping Indebtedness[4]	$378,734,915	$1,830	6.01%

(1) The population of the City is 206,886, according to the July 1, 2008 US Census Estimate.

(2) The City's full value of taxable real property for fiscal year 2010 is $6,300,592,935.

(3) See "Debt Statement Summary" herein.

(4) The City's estimated applicable share of net overlapping indebtedness is $54,587,363. (See "Estimated Overlapping Indebtedness" herein.)

Cash Flow Borrowing

The City has not issued Tax Anticipation Notes or Revenue Anticipation Notes in the past and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

The following sets forth a summary of the City's adopted Capital Improvement Plan for the years 2009-2013. It should be noted that each planned project must be duly authorized by the City Council before being undertaken.

Capital Improvement Program	2009-10	2010-11	2011-12	2012-13	2013-14	TOTAL
Facilities and Equipment	$22,595	$21,439	$12,530	$12,330	$11,542	$80,436
General City Development	26,815	44,656	32,931	15,826	17,560	137,788
Public Safety	4,844	10,024	10,870	5,545	4,985	36,268
Recreation and Culture	3,916	5,372	7,933	3,434	7,213	27,868
Transportation	27,578	18,650	31,407	28,680	32,102	138,417
Water	10,389	11,675	11,633	11,784	10,096	55,577
Total:	$96,137	$111,816	$107,304	$77,599	$83,498	$476,354

Source: 2009 Adopted Budget

LITIGATION

In common with other municipalities, the City from time to time receives notices of claim and is party to litigation. In the opinion of the Corporation Counsel of the City, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or action pending which, if determined against the City, would have an adverse material effect on the financial condition of the City.

MATERIAL EVENTS NOTICES

The City is in compliance with all prior undertakings pursuant to Rule 15c2-12.

FINANCIAL FACTORS

Real Estate Property Tax Collection Procedure

Taxes are levied on July 1st, on which date they become liens on real property, and are payable in quarterly installments due on July 31st, September 30th, January 31st and March 31st. Thereafter, interest is charged at the rate of 1.5% per month from the date due. After June 30, interest on all unpaid taxes and accrued penalties is charged at the rate of 18% per annum. After one year of tax arrears, the City has the right to foreclose on the property or sell the delinquent liens in a bulk tax lien sale.

Valuations and Tax Levy

Assessed and Full Valuations
(Based on Special Equalization Ratios)

Fiscal Year Ending June 30:	**2006**	**2007**	**2008**	**2009**	**2010**
Assessed Valuation	$5,117,664,306	$5,151,480,019	$5,189,455,492	$5,747,599,553	5,723,863,366
Special Equalization Rate	98.63%	90.80%	89.08%	94.90%	91.64%
Full Valuation	5,188,750,184	5,673,436,144	5,825,612,362	6,056,480,035	6,300,592,935
Property Tax Levy	$153,812,100	$156,759,300	$156,759,300	$162,872,900	$162,872,900
Tax Rate per $1,000					
Homestead: [1]					
City	$6.61	$6.67	$6.83	$5.59	$5.33
School	14.38	14.53	14.89	14.98	14.28
Homestead Total:	$20.99	$21.20	$21.72	$20.57	$19.61
Non-Homestead: [1]					
City	$13.92	$14.04	$13.53	$10.93	$11.21
School	30.87	31.15	30.02	29.74	30.94
Non-Homestead Total:	$44.79	$45.19	$43.55	$40.67	$41.70

Source: City Assessor

[1] The City partitions the assessment roll, and taxes properties based on Homestead and Non-Homestead classification. In accordance with Article 19 of the NYS Real Property Tax Law, the tax levy is apportioned between the Homestead and Non-homestead classes based on the relative taxable value of the two classes.

State Aid

The City receives financial assistance from the State. For the fiscal year ending June 30, 2009, approximately 28.4% of the revenues of the City are estimated to have been received in the form of State aid. In its budget for the 2010 fiscal year, approximately 25.2% of the revenues of the City are estimated to be in the form of State aid.

See also “PART 5 – THE MUNICIPALITIES – Financial Factors – *State Aid*.”

Status and Financing of Employee Pension Payments

The City participates in the New York State and Local Employees’ Retirement System (“ERS”), and the New York State and Local Police and Fire Retirement System (“PFRS”). The School District also participates in the New York State and Local Employees’ Retirement System and in the New York State and Local Teachers’ Retirement System (“TRS”). These are cost sharing multiple public employer retirement systems (“Systems”). The New York State Retirement and Social Security Law govern obligations of employers and employees to contribute and benefits to employees. The Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service.

All participating employers in each System are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Systems. The Systems are contributory except for employees who joined the Employees’ Retirement System before July 27, 1976, or the Teachers’ Retirement System before June 30, 1976. The contribution rate is 3% of salary during the first 10 years of service. Employee contributions are deducted by employers from employees’ paychecks and are sent currently to the Retirement System.

The total payroll for all employees of the City for fiscal year ending June 30, 2009 was $194,609,000 of which $83,992,000 represented payroll costs for employees covered by ERS, $95,659,000 by PFRS, and $14,958,000 for nonparticipating employees. Average contribution for fiscal year ending June 30, 2009 were 7.9% for ERS and 17.9% for PFRS. All full-time police officers and firefighters are mandatory members.

The total payroll for the employees of the School District for fiscal ending June 30, 2009 was $354,950,300 of which $270,801,700 represented payroll costs for employees covered by TRS, $70,045,900 by ERS, and $14,102,700 for nonparticipating employees. Average contribution rate for the fiscal ending June 30, 2009 were 7.9% for TRS and 7.3% for ERS. All full-time teachers are mandatory members.

Contributions payable to the Employees' and the Police and Fire Retirement Systems are billed on the basis of salaries paid during the Systems' fiscal year ending March 31, and are made in accordance with funding requirements determined by the actuaries of the Systems.

Payments to the Teachers' Retirement Systems, which are made in accordance with funding requirements determined by the actuary of the System, are deducted from State Aid payments to the School District. The contributions for salaries paid for the year ended June 30, 2009 were made in three monthly installments starting in September 2008.

Contributions for the Retirement Systems made by the City over the past three audited fiscal years, which were equal to the required contributions, were as follows (000's omitted):

Fiscal Year Ending June 30	ERS Contribution	PFRS Contribution	Total Contributions
2007	$8,045	$14,025	$22,070
2008	7,736	14,824	22,560
2009	6,642	17,117	23,759

Contributions for the Retirement Systems made by the School District over the past three audited fiscal years, which were equal to the required contributions were as follows (000's omitted):

Fiscal Year Ending June 30	ERS Contribution	TRS Contribution	Total Contributions
2007	$6,699	$17,544	$24,243
2008	5,490	19,946	25,436
2009	5,095	21,437	26,532

GASB 45 and OPEB

For the fiscal year ended June 30, 2009, the City's annual OPEB cost (expense) of $57,603,900 is not equal to the Annual Required Contribution, which is $59,935,800. Considering the annual expense as well as the payment of current health insurance premiums, which totaled $23,289,900 for retirees and their beneficiaries, the result was an increase in the Net OPEB Obligation of $34,314,600 for the year ended June 30, 2009.

Considering the District's annual expense as well as the payment of current health insurance premiums, which totaled $11,394,400, the result was an increase in the District's Net OPEB Obligation of $28,774,700 for the year ended June 30, 2009.

Benefit Obligations and Normal Cost

	City	District	Total
Actuarial Accrued Liability (AAL)			
Retired Employees	$272,560,079	$131,194,231	$403,754,310
Active Employees	321,363,651	229,761,868	551,125,519
Unfunded actuarial accrued liability (UAAL)	$593,923,730	$360,956,099	$954,879,829
Normal cost at beginning of year	24,604,946	14,361,060	38,966,006
Amortization factor based on 30 years	17.9837	17.9837	17.9837
Annual Covered Payroll	194,609,000	354,950,332	549,559,332
UAAL as a percentage of Covered Payroll	305.19%	101.69%	173.75%

Level Dollar Amortization

Calculation of ARC under Projected Unit Credit Method

	City	District	Total
ARC Normal cost with interest to end of year	$25,589,142	$20,874,127	$46,463,269
Amortization of unfunded actuarial accrued liability (UAAL) over 30 years with interest at end of year	34,346,668	20,348,130	54,694,798
Annual required contribution (ARC)	59,935,810	41,222,257	101,158,067
Interest on Net OPEB Obligation	5,231,473	2,362,752	7,594,225
Adjustment to ARC	(7,563,415)	(3,415,954)	(10,979,369)
Annual OPEB cost (expense)	57,603,868	40,169,055	97,772,923
Contribution for fiscal year ended June 30, 2009	(23,289,291)	(11,394,381)	(34,683,672)
Increase in net OPEB obligation	34,314,577	28,774,674	63,089,251
Net OPEB obligation June 30, 2008	130,786,821	59,068,798	189,855,619
Net OPEB obligation June 30, 2009	$165,101,398	$87,843,472	$252,944,870
Percent of annual OPEB cost contributed	40.43%	28.37%	35.47%

Recent Operating Results

Based on the City's review of first quarter budget to actual expense and revenue estimates, the City projects an all funds deficit of approximately $5 million and initiated the development of a gap closure plan for 2009-10.

Two major line items account for a significant portion of the projected year end deficit. First, the Legislature has passed and the Governor is expected to sign a mid-year state deficit closure plan that includes a $922,157 reduction in state aid to the City. Second, sales tax collections are contracting at a greater rate than anticipated. The City currently anticipates the sales tax collections will fall short of the budget estimate for fiscal year 2009-10 by $2.8 million.

There are three factors that partially mitigate the two shortfalls noted above. First, the combination of a lower growth rate in health care costs than anticipated and a hiring freeze are expected to result in savings of $2.9 million. Second, the City anticipates spending $1.3 million less than budgeted for retirement expenses from an early payment discount and retirement system adjustment. Third, the sale of City tax liens has increased the City's current property tax collections by $1.3 million.

City department heads have been given a mid-year budget reduction target to enable the Mayor to weigh these reductions versus using city reserves. City has available reserves of $20 million. The City anticipates a combination of operating and capital expense reductions will occur if the Governor's proposal is enacted.

Principal and Interest Requirements

A schedule of the City's debt service on all outstanding indebtedness, including the City's Local ARRA Bonds, is presented below.

Fiscal Year	Existing Debt Service	New Debt Service	Total Debt Service
2010	$39,702,183.00	$ -	$39,702,183.00
2011	35,499,196.00	16,071,847.10	51,571,043.10
2012	31,899,186.00	15,150,942.26	47,050,128.26
2013	28,235,390.00	14,702,678.76	42,938,068.76
2014	25,262,121.00	12,971,820.76	38,233,941.76
2015	22,296,283.00	12,256,260.76	34,552,543.76
2016	20,989,752.00	9,632,198.26	30,621,950.26
2017	18,500,738.00	8,757,745.26	27,258,483.26
2018	16,824,309.00	8,324,097.76	25,148,406.76
2019	15,998,028.00	7,836,890.92	23,834,918.92
2020	14,717,824.00	6,626,981.90	21,344,805.90
2021	12,672,444.00	6,335,222.70	19,007,666.70
2022	9,527,006.00	4,843,369.56	14,370,375.56
2023	7,718,200.00	3,202,836.40	10,921,036.40
2024	6,148,988.00	1,118,017.96	7,267,005.96
2025	4,466,413.00	-	4,466,413.00
2026	2,500,838.00	-	2,500,838.00
2027	1,811,513.00	-	1,811,513.00
2028	916,263.00	-	916,263.00
2029	703,500.00	-	703,500.00
2030	728,000.00	-	728,000.00
2031	705,900.00	-	705,900.00
2032	173,400.00	-	173,400.00
	$317,997,475.00	$127,830,910.36	$445,828,385.36

Source: Finance Director's Office

SUMMARY OF CERTAIN PROVISIONS OF THE LOCAL ARRA BOND PURCHASE AGREEMENTS

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SUMMARY OF CERTAIN PROVISIONS OF THE LOCAL ARRA BOND PURCHASE AGREEMENTS

The following is a brief summary of certain provisions of the Local ARRA Bond Purchase Agreements to be executed by each of the Municipalities. Such summary does not purport to be complete and reference is made to the Agreement for full and complete statements of such provisions. Defined terms used in the Agreement have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

Purchase Clauses

(A) Purchase Consummation. Subject to the conditions and in accordance with the terms of the Agreement, the Municipality agrees to sell its Local ARRA Bonds and the Agency agrees to purchase such Local ARRA Bonds, bearing interest at rates not exceeding the Maximum Rate and expected to mature at the times and in the amounts set forth in Exhibit D to the Agreement.

(B) Payment to Trustee. On the dates set forth in the Agreement, the Municipality will deposit or cause to be deposited with the Trustee the full amount of the payment due on the Local ARRA Bonds on such dates, respectively.

(C) Pledge and Assignment. The Municipality acknowledges that a sufficient portion of any and all State Aid to be apportioned or otherwise to be made payable by the State to the Municipality to cover the payments required under the Local ARRA Bonds shall be paid directly to the Trustee as provided in the Act and the Memorandum of Understanding upon notice from the Agency to the Comptroller of the occurrence of certain events. The assignment and pledge of the Additional Security pursuant to the Pledge Agreement, if any, shall be irrevocable and shall continue until the date on which the liabilities of the Agency and the Municipality with respect to the Project have been discharged and the Local ARRA Bonds have been paid or otherwise discharged. The Municipality agrees that it will not create or suffer to be created any pledge or assignment of the Additional Security or State Aid to be apportioned or otherwise payable by the State other than pledges or assignments to secure subsequent Series of Agency Bonds or to secure bonds issued by any agency or instrumentality of the United States of America or the State of New York or any authority, agency or political subdivision thereof, or as otherwise consented to in writing by the Agency.

(Section 3.1)

Other Amounts Payable

(A) The Municipality expressly agrees to pay to the Agency:

(i) Upon the issuance and sale of the Agency Bonds, the Municipality's Proportionate Share (or such other portion thereof as shall be agreed upon by the Municipality and the Agency) of the costs and expenses of the Agency in the preparation, sale and delivery of the Agency Bonds, the preparation and delivery of any legal instruments, closing transcripts and documents necessary in connection therewith and with the Agreement their filing and recording, if required, and all taxes and charges payable in connection with any of the foregoing, all as specified in the Notice of Terms. Such costs are payable from the sources identified in Exhibit C to the Agreement and in the amount specified in the Notice of Terms, subject to the limit set forth in the Agreement

(ii) Other Costs of Issuance payable to consultants and attorneys utilized by the Municipality in connection with the issuance of the Local ARRA Bonds as set forth in the Notice of Terms;

(iii) As such expenses are incurred, the amount of any Agency expenses (including but not limited to investment losses and the reasonable fees and expenses of the Agency, the Trustee, the owners of Agency Bonds, and attorneys, representing any of the foregoing) incurred as a result of the Municipality's failure to make any payment on the Local ARRA Bonds when due or failure to otherwise comply with the terms of the Agreement or the Local ARRA Bonds; and

(iv) In the event that after the date set forth in the Agreement the Municipality does not deliver its Local ARRA Bonds, the fees of the Agency's bond counsel incurred with respect to the transactions contemplated in the Agreement.

(B) Indemnification. To the extent permitted by law, the Municipality agrees to indemnify, defend and hold harmless the Agency and each member, officer and employee of the Agency against any and all liabilities, losses, costs, damages or claims, and will pay any and all judgments or expenses of any and all kinds or nature and however arising, imposed by law, including interest thereon, which it or any of them may sustain, be subject to or be caused to incur by reason of any claim, action, suit, charge or proceeding arising from or out of (1) the negligence, bad faith, willful misconduct, misfeasance or malfeasance committed by any officer or employee of the Municipality in connection with the transaction contemplated hereby or (2) an allegation that an official statement, prospectus, placement memorandum or other offering document prepared in connection with the sale and issuance of the Agency Bonds contained an untrue or misleading statement of a material fact obtained in writing from the Municipality relating to the Municipality, the Local ARRA Bonds or the Project, or omitted to state a material fact relating to the Municipality or the Project necessary in order to make the statements made therein in light of the circumstances under which they were made not misleading; provided, however, that neither the Agency nor a member, officer or employee of the Agency will be released, indemnified or held harmless from any claim for damages, liability, loss, cost, damage, judgment or expense arising out of the gross negligence or willful misconduct of the Agency, such member, officer or employee.

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

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

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

(Section 3.2)

Application of Local ARRA Bond Proceeds and Unspent Proceeds

(A) (A) To the extent the proceeds of the Local ARRA Bonds are to be used to pay costs of issuance of Local ARRA Bonds, which shall include the Municipality's Allocable Portion of Costs of Issuance of the Agency Bonds, or any amounts payable to the Agency under the Local ARRA Bond Purchase Agreement, the portion of the proceeds to be so used shall be held on deposit with the Trustee. Amounts so deposited shall be invested and disbursed at the direction of the Agency in accordance with the Master Resolution and the Series Resolution.

(B) To the extent the proceeds of the Local ARRA Bonds are to be used to refinance the Refunded Obligations, the Agency will direct the Trustee to pay the Refunded Obligations or to deposit the portion of the proceeds to be so used in a separate account established with the Bank (not commingled with any other funds of the Municipality) to pay the Refunded Obligations as they become due. Amounts in such account shall be invested as directed by the Municipality in accordance with the General Municipal Law. The Municipality covenants and agrees to pay directly to the paying agent for the Refunded Obligations any principal and/or interest due on the Refunded Obligations on their redemption date in excess of the amount held pursuant to the Local ARRA Bond Purchase Agreement for the payment of the Refunded Obligations.

(C) To the extent that the proceeds of the Local ARRA Bonds are to be used to finance the Project, they will be maintained in a separate account established with the Bank (not commingled with any other funds of the Municipality) pursuant to Section 165.00 of the Local Finance Law and Sections 10 and 11 of the General Municipal Law and maintained in accordance with the provisions of the Tax Certificate. Amounts in such account will be invested as directed by the Municipality in accordance with the General Municipal Law. Disbursements will be made from such account upon delivery to the Bank of a written requisition of the Municipality stating that such disbursement is (1) for payment to the Municipality for the reimbursement of costs of the Project previously paid by the Municipality or (2) for direct payment of Project costs, accompanied by copies of the invoice(s) to be paid.

(D) The Municipality expressly acknowledges and agrees that, with respect to any remaining unspent proceeds of the Refunded Obligations, either (i) such proceeds are required for the completion of the Project and the Municipality will, prior to issuance of the Agency Bonds, unless otherwise directed or agreed to by the Agency, transfer any remaining unspent proceeds of the Refunded Obligations to the account established pursuant to subsection (C) above to be applied in accordance with such subsection or (ii) to the extent that the unspent proceeds of the Refunded Obligations are not needed to complete the Project the Municipality will, unless otherwise directed by the Agency, transfer any remaining unspent proceeds of the Refunded Obligations to the account established pursuant to subsection (B) above to be applied in accordance with such subsection.

(E) The Municipality expressly acknowledges and agrees that the Agency will have the right to obtain and review the records of the Bank relating to accounts established for the Municipality pursuant to the Agreement and hereby authorizes the Bank to deliver copies of such records to the Agency upon request of the Agency. The Municipality covenants and agrees to maintain records with respect to the Project costs for a period of not less than three (3) years subsequent to the maturity or earlier redemption of the Agency Bonds and expressly acknowledges and agrees to provide copies of such records to the Agency upon request.

(Section 3.4)

Effective Date and Term

The date of the Agreement is for reference purposes only and the Agreement will become effective upon the date of execution and delivery of the Agreement, will remain in full force and effect from such date and on such date as all Local ARRA Bonds are paid in full and the Agency Bonds are no longer outstanding and all obligations of the Municipality to the Agency under the Agreement are satisfied; provided, however, that certain obligations of the Municipality shall survive such expiration.

(Section 3.5)

Trustee; Investment of Amounts Held For Municipality

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

(Section 3.7)

Authorization to Acquire Investments

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

(Section 3.9)

Application of Interest Earnings

The Agency agrees that it will cause to be deposited in the Debt Service Fund the interest earned and paid on the investment of moneys in the Debt Service Fund. So long as no event entitling the Agency to enforce the remedies contained in the Agreement has occurred, the Agency will pay to the Municipality annually the Municipality's Allocable Portion of excess amounts in the Debt Service Fund described in the Resolution.

(Section 3.10)

Compliance with Laws and Agreements

(A) Compliance. The Municipality agrees that the Project will at all times during the term of the Local ARRA Bonds be in compliance with applicable federal and State laws and regulations, including, but not limited to, the Recovery Act. The Municipality will at all times construct and operate (or cause to be constructed and operated) the Project, in compliance with all applicable federal, State and local laws, ordinances, rules, regulations (including the Recovery Act) and the Agreement, and with all other applicable laws and regulations to the extent necessary to ensure the availability of the Project for its intended purposes and to ensure the safety of the public.

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

(Section 4.1)

No Warranty Regarding Condition, Suitability or Cost of Project

The Agency makes no warranty, either express or implied, as to the Project, its status as a "qualified economic development purpose" under the Recovery Act, if applicable, or its condition or that it is suitable for the Municipality's purposes or needs, or that the proceeds of the Local ARRA Bonds are sufficient to pay the costs of the Project. Nothing in the Agreement will relieve the Municipality of its responsibility to properly plan, design, build and effectively operate and maintain the Project as required by laws, regulations, permits and good management practices. The Municipality acknowledges and agrees that the Agency or its representatives are not responsible for increased costs resulting from defects in the plans, design drawings and specifications or other Project documents.

(Section 4.2)

Application of Local ARRA Bond Proceeds

The Municipality will apply the proceeds of the Local ARRA Bonds solely as provided in the Agreement.

(Section 5.1)

Tax Covenant

The Municipality covenants that it shall comply with the terms of the Tax Certificate. This provision shall control in case of conflict or ambiguity with any other provision of the Local ARRA Bond Purchase Agreement. Without limiting the generality of the foregoing, the Municipality covenants that it will comply with the instructions and requirements of the Tax Certificate, which is incorporated in the Agreement as if fully set forth therein. The Municipality covenants that it shall not take any action or inaction, nor fail to take any action or permit any action to be taken, if any such action or inaction, which would adversely affect the federal tax status of the Local ARRA Bonds or which, assuming the Local ARRA Bonds were issued as bonds the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code, would cause the Local ARRA Bonds to be "private activity bonds", "private loan bonds," "arbitrage bonds" or "prohibited advance refunding bonds" within the meaning of Sections 141, 148 and 149 of the Code. The Municipality (or any related party within the meaning of Treasury Regulation Section 1.150-1(b)) shall not, pursuant to an arrangement, formal or informal, purchase Agency Bonds in an amount related to the amount of any obligation to be acquired from the Municipality by the Agency. The Municipality will, on a timely basis, provide the Agency with all necessary information and funds to the extent required to enable the Agency to comply with any applicable arbitrage and rebate requirements of the Code.

(Section 5.2)

Payment of Local ARRA Bonds

The Municipality covenants and agrees that it will duly and punctually pay or cause to be paid the principal installments or redemption price of its Local ARRA Bonds and the interest thereon, at the dates and places and in the manner stated in such Local ARRA Bonds and in accordance with the section of the Agreement described above under the heading "Purchase Clauses" hereof and that such obligation will not be subject to any defense (other than payment) or any rights of setoff, recoupment, abatement, counterclaim or deduction and will be without any rights of suspension, deferment, diminution or reduction it might otherwise have against the Agency, the Trustee or the owner of any Agency Bond.

(Section 5.3)

Enforcement of Rights and Remedies

The following events shall entitle the Agency to pursue the remedies set forth in the following paragraph: (i) failure by the Municipality to pay or cause to be paid when due the amounts to be paid under the Local ARRA Bonds; or (ii) the Municipality shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or any proceeding shall be instituted by or against the Municipality seeking to adjudicate it a bankrupt or insolvent, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it for any substantial part of its property; or the Municipality shall authorize any of the actions set forth above in this subsection (ii); or (iii) the Municipality fails to pay or to cause to be paid when due any other payment required to be made under the Agreement which failure continues for a period of thirty (30) days after payment thereof was due, provided that written notice thereof shall have been given to the Municipality not less than thirty (30) days prior to the due date thereof; or (iv) the Municipality fails to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in (i), which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Municipality by the Agency or such longer period, as is required to cure such default, if by reason of the nature of such failure the same cannot be remedied within such thirty (30) day period and the Municipality has within such thirty (30) day period commenced to take appropriate actions to remedy such failure and is diligently pursuing such actions; or (v) any representation or warranty of the Municipality contained in the Agreement shall have been at the time it was made untrue in any material respect.

(Section 7.1)

Remedies

Whenever any event referred to in the preceding paragraph shall have happened and be continuing, the Agency may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Municipality under the Agreement, or under the Pledge Agreement, if any, including requiring payment to the Trustee of any State Aid or Additional Security, if any, otherwise payable to the Municipality by the State of New York as provided in the Memorandum of Understanding, the exercise of any remedy authorized by Article VIII of the State Constitution with respect to obtaining payment on the Local ARRA Bonds and any other administrative enforcement action and actions for breach of contract; provided however, that neither the Local ARRA Bonds nor the Agency Bonds are subject to acceleration.

(Section 7.2)

No Remedy Exclusive

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

(Section 7.3)

Waiver and Non-Waiver

In the event any agreement is breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach under the Agreement. No delay or omission by the Agency to exercise any right or power accruing upon a breach of the Agreement will impair any right or power or will be construed to be a waiver of any such breach nor acquiescence therein.

(Section 7.3)

Amendments, Supplements and Modifications

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

(Section 8.4)

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

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

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

(C) If and so long as the offering of the Agency Bonds continues (a) the Municipality will furnish such information with respect to itself as the Underwriters of the Agency Bonds may from time to time reasonably request and (b) if any event relating to the Municipality occurs as a result of which it is necessary, in the opinion of Bond Counsel to the Agency, General Counsel of the Agency or counsel for such Underwriters, to amend or supplement the Official Statement of the Agency used in connection with the offering of the Agency Bonds in order to make such information not misleading in light of the circumstances then existing, the Municipality will forthwith prepare and furnish to the Agency and the Underwriters such information relating to the Municipality as may be necessary to permit the preparation of an amendment of or supplement to such Official Statement (in form and substance satisfactory to the Bond Counsel to the Agency and counsel for the Underwriters) which will amend or supplement such Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make statements therein, in light of the circumstances then existing, not misleading. Unless the Municipality has been notified to the contrary in writing by the Agency or the Underwriters, the Municipality is entitled to presume that the offering by the Agency and that its obligations under this paragraph have ceased twenty-five (25) days after the date of delivery of the Agency Bonds.

(Section 8.9)

Redemption of Local ARRA Bonds

The Local ARRA Bonds shall be subject to redemption prior to maturity on any date on which Agency Bonds are subject to redemption, in whole or in part (and, if in part, in the order of maturities as shall be determined by the Municipality) in principal amounts of $5,000 or integral multiples thereof, at a redemption price equal to the principal amount of such Local ARRA Bonds to be redeemed, together with (i) the redemption premium payable on the Agency Bonds and (ii) the accrued and unpaid interest on the principal amount to be redeemed to the date fixed for redemption. The Local ARRA Bonds shall also be subject to redemption prior to maturity at any time, in whole or in part (and, if in part, in the order of maturities as shall be determined by the Municipality) in principal amounts of $5,000 or integral multiples thereof, at a redemption price equal to the amount necessary to cause the defeasance of the Allocable Portion of Agency Bonds.

(Exhibit C to the Local ARRA Bond Purchase Agreement)

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SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION

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SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION

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

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

Master Resolution and Bonds Constitute Separate Contracts

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

(Section 1.03)

Authorization of Each Series of Bonds

Each Series of Bonds is issued pursuant to the Master Resolution, the applicable Series Resolution and the Act.

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

(Section 2.01)

Additional Bonds and Other Obligations

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

(Section 2.05)

Authorization of Redemption

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

(Section 4.01)

Redemption at Election or Direction of the Agency

The Series, maturities and principal amounts of the Bonds to be redeemed at the election or direction of the Agency will be determined by the Agency in its sole discretion, subject to any limitations with respect thereto contained in the Master Resolution or in the Series Resolution authorizing such Series or the Applicable Bond Series Certificate. The notice of redemption required by the Master Resolution to be given shall not be given with respect to such Bonds to be redeemed pursuant to this section unless prior to the date such notice is to be given the Agency shall, if money is then due to a Reserve Fund Facility Provider for moneys advanced under a Reserve Fund Facility constituting any part of an Applicable Debt Service Reserve Fund which is then unpaid, including interest due thereon, have obtained the written consent of such Facility Provider.

(Section 4.02)

Selection of Bonds to Be Redeemed

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

(Section 4.04)

Notice of Redemption

Whenever Bonds are to be redeemed, the Trustee will give notice of the redemption of the Bonds in the name of the Agency. Such notice will be given by mailing a copy of such notice not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. Such notice will be sent by first class mail, postage prepaid, to the registered owners of the Bonds which are to be redeemed, at their last known addresses, if any, appearing on the registration books not more than ten (10) Business Days prior to the date such notice is given. Upon giving such notice, the Trustee will promptly certify to the Agency that it has mailed or caused to be mailed such notice to the registered owners of the Bonds to be redeemed in the manner provided in the Master Resolution. Such certificate will be conclusive evidence that such notice was given in the manner required by the Master Resolution. The failure of any Holder of a Bond to be redeemed to receive such notice will not affect the validity of the proceedings for the redemption of the Bonds.

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

(Section 4.05)

Payment of Redeemed Bonds

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

(Section 4.06)

Pledge of Revenues

The proceeds from the sale of the Bonds, the Applicable Revenues, the Agency's security interest in the Applicable Pledged Revenues, and, all funds established by the Master Resolution, other than the Applicable Arbitrage Rebate Fund and the Applicable Subsidy Fund, are pledged and assigned to the Trustee as security for the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds and as security for the performance of any other obligation of the Agency under the Resolution and under any Series Resolution, all in accordance with the provisions of the Master Resolution and such Series Resolution. The pledge of the Revenues relates only to the Bonds of an Applicable Series authorized by such Series Resolution and no other Series of Bonds and such pledge will not secure any such other Series of Bonds. The pledge is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Bonds, the Revenues, the Agency's security interest in the Applicable Pledged Revenues and the funds and accounts established by the Master Resolution and by the Applicable Series Resolution will immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge will be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Agency 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 are special obligations of the Agency payable solely from and secured by a pledge of the proceeds from the sale of the Bonds, the Revenues, the Agency's security interest in the Applicable Pledged Revenues and the funds and accounts established by the Master Resolution, which are pledged by the Master Resolution as provided in the Master Resolution, which pledge will constitute a first lien thereon. Notwithstanding the foregoing, interest earnings on the Debt Service Fund held by the Trustee and properly allocable to one Municipality may not be used to make up a deficiency caused by the failure of another Municipality to pay its Basic Debt Service Payment.

(Section 5.01)

Establishment of Funds

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

Bond Proceeds Fund;
Debt Service Fund;
Debt Service Reserve Fund;
Subsidy Fund; and
Arbitrage Rebate Fund

Accounts and sub-accounts within each of the foregoing funds may from time to time be established in accordance with an Applicable Series Resolution, an Applicable Bond Series Certificate or upon the direction of the Agency. All moneys at any time deposited in any fund created by the Master Resolution, other than the Applicable Arbitrage Rebate Fund and the Applicable Subsidy Fund, will be held in trust for the benefit of the Holders of the Applicable Series of Bonds, but will nevertheless be disbursed, allocated and applied solely in connection with Applicable Series of Bonds for the uses and purposes provided in the Master Resolution.

(Section 5.02)

Application of Bond Proceeds

Upon the receipt of proceeds from the sale of a Series of Bonds, the Agency will apply such proceeds as specified in the Master Resolution and in the Series Resolution authorizing such Series or in the Bond Series Certificate relating to such Series.

Accrued interest, if any, received upon the delivery of a Series of Bonds will be deposited in the Debt Service Fund unless all or any portion of such amount is to be otherwise applied as specified in the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series.

(Section 5.03)

Application of Moneys in the Bond Proceeds Fund

A separate Bond Proceeds Fund is established by each Series Resolution and separate Bond Proceeds Accounts and Costs of Issuance Accounts are established therein with respect to each Municipality for whose benefit such Series of Bonds is issued. As soon as practicable after the delivery of each Series of Bonds, there will be deposited in the Applicable Bond Proceeds Account and Applicable Costs of Issuance Account the amount required to be deposited therein pursuant to the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series. Except as otherwise provided in the Master Resolution, an Applicable Series Resolution or an Applicable Bond Series Certificate, moneys deposited in the Applicable Bond Proceeds Account shall constitute a portion of the purchase price of the Applicable Local ARRA Bonds and shall be used only to pay the purchase price of such Local ARRA Bonds, and the moneys deposited in the Cost of Issuance Account shall be used only to pay the Costs of Issuance of the Applicable Bonds.

(Section 5.04)

Allocation of Revenues

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

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

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

Third: to the Agency.

(Section 5.05)

Subsidy Fund

The Applicable Subsidy Fund shall be maintained by the Trustee as a fund separate from any other fund established and maintained under the Master Resolution. The Trustee shall deposit to the Applicable Subsidy Fund any moneys delivered to it by the United States Treasury representing the cash subsidy payments, if any, that the Agency is eligible to receive pursuant to Section 1400U-2 of the Code with respect to Bonds of a Series designated by the Agency as “Recovery Zone Economic Development Bonds” or Section 54AA of the Code with respect to Bonds of a Series designated by the Agency as “Build America Bonds” in the Applicable Series Resolution.

The Trustee, pursuant to the Applicable Series Resolutions and the written instructions from an Authorized Officer of the Agency delivered upon issuance of the Bonds of such Series, shall pay to the Applicable Municipalities each such Municipality’s Allocable Portion of the amounts on deposit in the Applicable Subsidy Fund as so instructed.

(Section 5.06)

Debt Service Fund

The Trustee will on or before the Business Day preceding each Interest Payment Date pay out of the Applicable Debt Service Fund:

(a) the interest due and payable on all Outstanding Bonds of the Applicable Series on such Interest Payment Date;

(b) the principal amount due and payable on all Outstanding Bonds of the Applicable Series on such Interest Payment Date; and

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

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

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

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

With respect to Bonds of a Series for which a Debt Service Reserve Fund has been established, unless otherwise set forth in the Applicable Series Resolution, in the event that on the fourth business day preceding any interest payment date the amount in the Applicable Debt Service Fund shall be less than the amounts, respectively, required for payment of interest on the Outstanding Bonds of the Applicable Series, for the payment of principal of such Outstanding Bonds, for the payment of Sinking Fund Installments of such Outstanding Bonds due and payable on such interest payment date or for the payment of the purchase price or Redemption Price of such Outstanding Bonds theretofore contracted to be purchased or called for redemption, plus accrued interest thereon to the date of purchase or redemption, the Trustee shall withdraw from the Applicable Debt Service Reserve Fund and deposit to the Applicable Debt Service Fund such amounts as will increase the amount in the Applicable Debt Service Fund to an amount sufficient to make such payments. The Trustee shall notify each Applicable Reserve Fund Facility Provider of a withdrawal from the Applicable Debt Service Reserve Fund.

(Section 5.07)

Debt Service Reserve Fund

The Trustee shall deposit to the credit of the appropriate account in the Applicable Debt Service Reserve Fund such proceeds of the sale of Bonds of the Applicable Series, if any, as shall be prescribed in the Applicable Series Resolution or the Applicable Bond Series Certificate, and any moneys, Government Obligations and Exempt Obligations as are delivered to the Trustee by a Municipality for the purposes of the Applicable Debt Service Reserve Fund.

In lieu of or in substitution for moneys, Government Obligations or Exempt Obligations otherwise required to be deposited in the Debt Service Reserve Fund established for a Series of Bonds issued pursuant to a Series Resolution, the Agency may deposit or cause to be deposited with the Trustee a Reserve Fund Facility for the benefit of the Holders of the Bonds for all or any part of the Applicable Debt Service Reserve Fund Requirement; provided that any such surety bond or insurance policy shall be issued by an insurance company or association duly authorized to do business in the State (i) the claims paying ability of which is rated the highest rating accorded by a nationally recognized insurance rating agency or (ii) obligations insured by a surety bond or an insurance policy issued by such company or association are rated at the time such surety bond or insurance policy is delivered, without regard to qualification of such rating by symbols such as "+" or "-" or numerical notation, in the highest rating category by Moody's and S&P or, if Outstanding Bonds of the Applicable Series are not rated by Moody's and S&P by whichever of said rating services that then rates Outstanding Bonds; provided, further, that any such letter of credit shall be issued by a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provision of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provision of law or a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, the unsecured or uncollateralized long term debt obligations of which, or long term obligations secured or supported by a letter of credit issued by such person, are rated at the time such letter of credit is delivered, without regard to qualification of such rating by symbols such as "+" or "-" or numerical notation, in at least the second highest rating category by Moody's and S&P or, if Outstanding Bonds of the Applicable Series are not rated by Moody's and S&P by whichever of said rating services that then rates Outstanding Bonds of the Applicable Series.

In addition to the conditions and requirements set forth above, no Reserve Fund Facility shall be deposited in full or partial satisfaction of the Applicable Debt Service Revenue Fund Requirement unless the Trustee shall have received prior to such deposit (i) an opinion of counsel acceptable to the Agency to the effect that such Reserve Fund Facility has been duly authorized, executed and delivered by the Reserve Fund Facility Provider thereof and is valid, binding and enforceable in accordance with its terms and (ii) in the event such Reserve Fund Facility Provider is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to the Agency.

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

In computing the amount on deposit in a Debt Service Reserve Fund, a letter of credit, a surety bond or an insurance policy shall be valued at the amount available to be drawn or payable thereunder on the date of computation.

Moneys held for the credit of an Applicable Debt Service Reserve Fund shall be withdrawn by the Trustee and applied to the payment of interest, principal and Sinking Fund Installments at the times and in the amounts required to comply with the provisions of the Master Resolution provided that no payment under a Reserve Fund Facility shall be sought unless and until moneys are not available in the Applicable Debt Service Reserve Fund and the amount required to be withdrawn from an Applicable Debt Service Reserve Fund pursuant to this paragraph can not be withdrawn therefrom without obtaining payment under such Reserve Fund Facility; provided further, that, if more than one Reserve Fund Facility is held for the credit of an Applicable Debt Service Reserve Fund at the time moneys are to be withdrawn therefrom the Trustee shall obtain payment under each such Reserve Fund Facility pro rata based upon the respective amounts then available to be paid thereunder.

With respect to any demand for payment under any Reserve Fund Facility deposited in the Applicable Debt Service Reserve Fund, the Trustee shall make such demand for payment in accordance with the terms of such Reserve Fund Facility at the earliest time provided therein to assure the availability of moneys on the interest payment date for which such moneys are required.

Moneys and investments held for the credit of the Applicable Debt Service Reserve Fund in excess of the Applicable Debt Service Reserve Fund Requirement shall be withdrawn by the Trustee and deposited, upon direction of the Agency, in the Applicable Arbitrage Rebate Fund, the Applicable Debt Service Fund and the Applicable Bond Proceeds Fund or applied to the redemption of Bonds of the Applicable Series in accordance with such direction.

If, upon a valuation, the value of all moneys, Government Obligations, Exempt Obligations and Reserve Fund Facilities held for the credit of the Applicable Debt Service Reserve Fund is less than the Applicable Debt Service Reserve Fund Requirement, the Applicable Trustee shall immediately notify the Agency, each Applicable Reserve Fund Facility Provider and the Applicable Municipality of such deficiency. Such Municipality shall, as soon as practicable, but in no event later than five (5) days after receipt of such notice, deliver to the Trustee moneys, Government Obligations or Exempt Obligations the value of which is sufficient to increase the amount in the Applicable Debt Service Reserve Fund to the Applicable Debt Service Reserve Fund Requirement.

(Section 5.08)

Arbitrage Rebate Fund

The Arbitrage Rebate Fund will be maintained by the Trustee as a fund separate from any other fund established and maintained under the Master Resolution. The Trustee will deposit to the Applicable Arbitrage Rebate Fund any moneys delivered to it by the Applicable Municipalities for deposit therein and, notwithstanding any other provisions of the Master Resolution, will transfer to the Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of the Agency, moneys on deposit in any other funds held by the Trustee under the Master Resolution at such times and in such amounts as will be set forth in such directions. Within the Arbitrage Rebate Fund, the Trustee will maintain such accounts as are required by the Agency in order to comply with the terms and requirements of the Tax Certificate. All money at any time deposited in the Arbitrage Rebate Fund will be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the Treasury Department of the United States of America, and the Agency or the owner of any Bonds will not have any rights in or claim to such money. The Trustee will be deemed conclusively to have complied with the provisions of the Master Resolution concerning the Arbitrage Rebate Fund and with such provisions of the Tax Certificate if it follows the directions of an Authorized Officer of the Agency including supplying all necessary written information in the manner provided in the Tax Certificate and has no liability or responsibility for compliance (except as specifically set forth in the Master Resolution or in the Tax Certificate) or to enforce compliance by the Agency with the terms of the Tax Certificate.

Upon the written direction of the Agency, the Trustee will deposit in the Arbitrage Rebate Fund funds received from the Agency, so that the balance of the amount on deposit thereto will be equal to the Rebate

Requirement. Computations of the Rebate Requirement will be furnished by or on behalf of the Agency in accordance with the Tax Certificate.

The Trustee has no obligation to rebate any amounts required to be rebated pursuant to this section, other than from moneys held in the funds and accounts created under the Master Resolution or from other moneys provided to it by the Agency.

The Trustee will invest all amounts held in the Arbitrage Rebate Fund as provided in written directions of the Agency. The Agency, in issuing such directions, will comply with the restrictions and instructions set forth in the Tax Certificate. Moneys may only be applied from the Arbitrage Rebate Fund as provided under the Master Resolution.

The Trustee, upon the receipt of written instructions and certification of the Rebate Requirement from an Authorized Officer of the Agency, will pay the amount of such Rebate Requirement to the Treasury Department of the United States of America, out of amounts in the Arbitrage Rebate Fund, as so directed.

Notwithstanding any other provisions of the Master Resolution, including in particular the section of the Master Resolution described under the heading "Tax Covenant", the obligation to remit the Rebate Requirement to the United States of America and to comply with all other requirements of the Master Resolution concerning the Arbitrage Rebate Funds, the section of the Master Resolution under the heading "Tax Covenant" and the Tax Certificate will survive the defeasance or payment in full of the Bonds.

(Section 5.09)

Application of Moneys in Certain Funds for Retirement of Bonds

Notwithstanding any other provisions of the Master Resolution, if at any time the amounts held in the Applicable Debt Service Fund and the Applicable Debt Service Reserve Fund are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of the Applicable 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 section of the Master Resolution described below under the heading "Defeasance" for the payment of the Outstanding Bonds at the maturity or redemption dates thereof, the Agency may (i) direct the Trustee to redeem all such Outstanding Bonds, whereupon the Trustee will proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds by the Master Resolution and by each Applicable Series Resolution as provided in the Master Resolution, or (ii) give the Trustee irrevocable instructions and make provision for the payment of the Outstanding Bonds at the maturity or redemption dates thereof in accordance with the Master Resolution.

(Section 5.10)

Transfer of Investments

Whenever moneys in any fund or account established under the Master Resolution are to be paid in accordance with the Master 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 moneys, 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 5.11)

Computation of Assets of Debt Service Reserve Fund

The Trustee, as promptly as practicable (i) after the end of each calendar month, (ii) upon the request of the Agency, (iii) upon the request of the Applicable Municipality, but not more frequently than once a calendar month, and (iv) at such other times as may be necessary in connection with a withdrawal and deposit made pursuant to the terms of the Master Resolution, shall compute the value of the assets in the Applicable Debt Service Reserve Fund, in the case of the requirement under (i) above, on the last day of each such month, in the case of a request pursuant to (ii) or (iii) above, at the date of such request, or, in the case of a withdrawal and deposit, at the date of such withdrawal and deposit, and notify the Agency and the Applicable Municipality as to the results of such computation and the amount by which the value of the assets in the Applicable Debt Service Reserve Fund exceeds or is less than the Applicable Debt Service Reserve Fund Requirement

(Section 5.12)

Security for Deposits

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

(Section 6.01)

Investment of Funds and Accounts

Moneys held under the Master Resolution by the Trustee, if permitted by law, will, as nearly as may be practicable, be invested by the Trustee, upon direction of the Agency given or confirmed in writing, signed by an Authorized Officer of the Agency (which direction will specify the amount to be invested) in Government Obligations, Exempt Obligations, and, if not inconsistent with the investment guidelines of a Facility Provider or a Rating Agency applicable to funds held under the Master Resolution, any other Investment Obligation; provided, however, that each such investment will permit the moneys so deposited or invested to be available for use at the times at, which the Agency reasonably believes such moneys will be required for the purposes of the Master Resolution; provided, further, that (x) any Permitted Collateral required to secure any Investment Obligation has a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (y) the Permitted Collateral will be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of the Agency, and (z) the Permitted Collateral will be free and clear of claims of any other person.

Investment Obligations purchased as an investment of moneys in any fund or account held by the Trustee under the provisions of the Master Resolution will be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof will be 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 Master Resolution, each Investment Obligation will be valued at par or the market value thereof, plus accrued interest, whichever is lower.

(Section 6.02)

Payment of Principal and Interest

The Agency covenants to 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 date and at the places and in the manner provided in the Bonds according to the true intent and meaning thereof.

(Section 7.01)

Accounts and Audits

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

(Section 7.05)

Creation of Liens

The Agency covenants not to create or cause to be created any lien or charge prior or equal to that of the Bonds of an Applicable Series on the proceeds from the sale of the Bonds, the Applicable Revenues, the Applicable Pledged Revenues or the funds and accounts established by the Master Resolution or by any Applicable Series Resolution which are pledged by the Master Resolution; provided, however, that nothing contained in the Master Resolution will prevent the Agency from issuing bonds, notes or other obligations under another and separate resolution so long as the charge or lien created by such resolution is not prior or equal to the charge or lien created by the Master Resolution; and provided further, that if the Agency has issued more than one Series of Bonds for the benefit of a Municipality and the Pledged Revenues, if any, and State Aid are insufficient to pay in full all Basic Debt Service Payments then due under all of the Agreements to which such Municipality is a party, then as provided in the Memorandum of Understanding the Comptroller will pay a proportionate share of such State Aid to each Applicable Trustee.

(Section 7.06)

Enforcement of Obligations of the Municipality

Pursuant to the Applicable Agreement and the Applicable Local ARRA Bonds, the Agency covenants to take all legally available action to cause a Municipality to perform fully its obligation to pay Basic Debt Service Payment and other amounts which under the Applicable Agreement are to be paid to the Trustee, in the manner and at the times provided in the Applicable Agreement provided, however, that the Agency may delay, defer or waive enforcement of one or more provisions of said Agreement (other that provisions requiring the payment of moneys to the Trustee for deposit to any fund or account established under the Master Resolution) if the Agency determines such delay, deferment or waiver will not materially adversely affect the interests of the Holders of the Bonds of a Series.

(Section 7.07)

Offices for Payment and Registration of Bonds

The Agency will at all times maintain an office or agency in the State where Bonds may be presented for payment. The Agency may, pursuant to a Supplemental Resolution or a Series Resolution or pursuant to a resolution adopted in accordance with the Master Resolution, designate an additional Paying Agent or Paying Agents where Bonds of the Series authorized thereby or referred to therein may be presented for payment. The Agency will at all times maintain an office or agency in the State where Bonds may be presented for registration, transfer or exchange and the Trustee is appointed by the Master Resolution as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds.

(Section 7.09)

Amendment, Change, Modification or Waiver of Agreement

An Applicable Agreement (and the related Applicable Local ARRA Bonds) may not be amended, changed, modified, altered or terminated so as to materially adversely affect the interest of the Holders of the Outstanding Bonds of the Applicable Series without the prior written consent of the Holders of at least a majority in aggregate principal amount of such Bonds then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any Applicable Series remain Outstanding, the consent of the Holders of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds of the Applicable Series under the Master Resolution; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds of such Series the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made by the Municipality under the Applicable Agreement that is to be deposited with the Trustee or extend the time of payment thereof. Except as otherwise provided in the Master Resolution, an Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds of the Applicable Series or the Applicable Trustee. Specifically, and without limiting the generality of the foregoing, an Agreement may be amended, changed, modified or altered without the consent of the Trustee and the Holders of Outstanding Bonds of such Series (i) to provide changes in connection with the acquisition, construction, reconstruction, rehabilitation, renovation and improvement or otherwise, the providing, furnishing and equipping of any facilities constituting a part of the Applicable Project or which may be added to such Project; (ii) to provide for the issuance of Bonds of an Applicable Series; or (iii) to cure any ambiguity or correct or supplement any provisions contained in the Applicable Agreement, which may be defective or inconsistent with any other provisions contained Master Resolution or in such Agreement.

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

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

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

(Section 7.10)

Notice as to Agreement Default

The Agency covenants to notify the Trustee in writing that an "event of default" under the Applicable Agreement, as such term is defined in the Applicable Agreement (including the failure to pay the Applicable Local

ARRA Bonds), has occurred and is continuing, or that which notice is required to be given within five (5) days after the Agency has obtained actual knowledge thereof.

(Section 7.11)

Modification and Amendment without Consent of Holders

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

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

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

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

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

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

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

(Section 9.02)

Supplemental Resolutions Effective with Consent of Bondholders

The provisions of the Master 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 in accordance with and subject to the provisions of the Master Resolution, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Agency.

(Section 9.03)

General Provisions Relating to Series Resolutions and Supplemental Resolutions

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

A copy of every Series Resolution and Supplemental Resolution adopted by the Agency, when filed with the Trustee, will 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 Master Resolution, is authorized or permitted by the Master Resolution and is valid and binding upon the Agency and enforceable in accordance with its terms.

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

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

(Section 9.04)

Powers of Amendment

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

(Section 10.01)

Consent of Bondholders

The Agency may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Master Resolution to take effect when and as provided in the Master Resolution. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders for their consent thereto in form satisfactory to the Trustee, will promptly after adoption be mailed by the Agency to the Bondholders (but failure to mail such copy and request to any particular Bondholder will not affect the validity of the Supplemental Resolution when consented to as provided in the Master Resolution). Such Supplemental Resolution will not be effective unless and until (i) there has been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds specified in the section of the Master Resolution described above under the heading “Powers of Amendment” and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Agency in accordance with the provisions of the Master Resolution, is authorized or permitted by the Master Resolution, and is valid and binding upon the Agency and enforceable in accordance with its terms, and (ii) a notice has been mailed as provided in the Master Resolution. Each such consent will be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof will be such as is permitted by the Master Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Master Resolution will be conclusive proof that the consents have been given by the Holders of the Bonds described in the certificate or certificates of the Trustee. Any consent given by a Bondholder will be binding upon the Bondholder giving such consent and, anything in the Master Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bond and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds have filed their consents to the Supplemental Resolution, the Trustee will make and file with the Agency and the Trustee a written statement that such Holders of such required percentages of Bonds have filed such consents. Such written statement will be conclusive that such consents have been so filed. At any time thereafter a notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Agency on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this paragraph, will be given to the Bondholders by the Agency by mailing such notice to the Bondholders and, at the discretion of the Agency, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds have filed their consents to the Supplemental Resolution and the written statement of the Trustee provided for above is filed (but failure to publish such notice will not prevent such Supplemental Resolution from becoming effective and binding as in this paragraph provided). The Agency will file with the Trustee proof of the mailing of such notice, and, if the same has been published, of the publication thereof.

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

(Section 10.02)

Modifications by Unanimous Consent

The terms and provisions of the Master Resolution and the rights and obligations of the Agency 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 Agency of a copy of a Supplemental Resolution certified by an Authorized Officer of the Agency and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in the section of the Master Resolution described above under the heading “Consent of Bondholders,” except that no notice to the Bondholders either by mailing or publication will be required.

(Section 10.03)

Consent of Facility Provider

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

(Section 10.04)

Events of Default

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

(Section 11.02)

Enforcement of Remedies

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

(Section 11.04)

Limitation of Rights of Individual Bondholders

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

(Section 11.08)

Defeasance

If the Agency pays or causes to be paid to the Holders of Bonds of an Applicable Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Master Resolution, and in the Applicable Series Resolution and Bond Series Certificate, then the pledge of the Revenues or other moneys and securities pledged to such Bonds and all other rights granted by the Master Resolution to such Holders of Bonds will be discharged and satisfied.

Notwithstanding any provision of the Master Resolution to the contrary, if any Municipality prepays the amounts due under its Agreement and in accordance therewith pays or causes to be paid its Allocable Portion of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest on the Bonds or portions thereof applicable to such Agreement at the times and in the manner stipulated therein, in the Master Resolution, and in the Applicable Series Resolution and the Applicable Bond Series Certificate, then the pledge of the Revenues or other moneys and securities pledged with respect to such Agreement or any portion thereof and all other rights granted under such Agreement will be discharged and satisfied. In such event, the Trustee will, upon the request of the Agency, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Municipality, and the Agency, and all moneys or other Securities held by it pursuant hereto and to a Series Resolution which are not required for the payment or redemption of its Allocable Portion of the Bonds of such Series to be defeased or any portion thereof not theretofore surrendered for such payment or redemption will 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 the Agency; second, to each Reserve Fund Facility Provider which has certified to the Trustee and the Agency that moneys advanced under an Applicable Reserve Fund Facility which constitutes any part of the Applicable Debt Service Reserve Fund together with any interest thereon, have not been repaid, pro rata, based upon the respective amounts certified by each such Reserve Fund Facility Provider; third, to the Agency; and, then, the balance thereof to the Municipality. Such moneys or investments so paid or delivered will be released from any trust, pledge, lien, encumbrance or security interest created hereby, by a Series Resolution or by such Agreement.

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

(Section 12.01)

No Recourse under Master Resolution or on the Bonds

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

(Section 14.04)

Certain Provisions Relating to Capital Appreciation Bonds and Deferred Income Bonds

For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity or (ii) computing the principal amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to the Agency, the Municipality or the Trustee any notice, consent, request, or demand pursuant to the Master Resolution for any purpose whatsoever, the then current Accreted Value of such Bond will be deemed to be its principal amount. Notwithstanding any other provision of the Master Resolution, the amount payable at any time with respect to the principal of and interest on any Capital Appreciation Bond will not exceed the Accreted Value thereof at such time. For purposes of receiving payment of the Redemption Price or principal of a Capital Appreciation Bond called for redemption prior to maturity, the difference between the Accreted Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds of the Series of which it is a part were first issued will be deemed not to be accrued and unpaid interest thereon.

For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed, or (ii) computing the principal amount of Bonds held by the Holder of a Deferred Income Bond in giving to the Agency or the Trustee any notice, consent, request, or demand pursuant to the Master Resolution for any purpose whatsoever, the then current Appreciated Value of such Bond will be deemed to be its principal amount.

Notwithstanding any other provision of the Master Resolution, the amount payable at any time prior to the Interest Commencement Date with respect to the principal of and interest on any Deferred Income Bond will not exceed the Appreciated Value thereof at such time. For purposes of receiving payment prior to the Interest Commencement Date of the Redemption Price or principal of a Deferred Income Bond called for redemption prior to maturity, the difference between the Appreciated Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds were first issued will be deemed not to be accrued and unpaid interest thereon.

(Section 14.07)

FORM OF APPROVING OPINION
OF BOND COUNSEL

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Form of Approving Opinion of Bond Counsel

Upon delivery of the 2009 Bonds, Orrick, Herrington & Sutcliffe, LLP, Bond Counsel to the Agency, proposes to issue its approving opinion in substantially the following form:

State of New York Municipal Bond Bank Agency
641 Lexington Avenue
New York, New York 10022

Re: $184,241,949 State of New York Municipal Bond Bank Agency Recovery Act Bonds, Series 2009A, B and C

Ladies and Gentlemen:

We have acted as bond counsel to the State of New York Municipal Bond Bank Agency (the "Agency") in connection with the issuance of $184,241,949 aggregate principal amount of its above-referenced bonds (the "Bonds"), consisting of the Sub-Series 2009A1 Bonds, the Sub-Series 2009B1 Bonds and the Sub-Series 2009C1 Bonds (the "Federally Tax-Exempt Series 2009 Bonds") and the Sub-Series 2009A2 Bonds, the Sub-Series 2009A3 Bonds, the Sub-Series 2009B2 Bonds, the Sub-Series 2009B3 Bonds, the Sub-Series 2009C2 Bonds and the Sub-Series 2009C3 Bonds (the "Federally Taxable Series 2009 Bonds") issued pursuant to the provisions of the State of New York Municipal Bond Bank Agency Act, as amended, constituting Chapter 902 of the Laws of 1972 of New York, as amended (constituting Title 18 of Article 8 of the New York Public Authorities Law), and the Agency's Master ARRA Bond Financing Program Recovery Act Bond Resolution adopted on November 16, 2009 (the "Master Resolution"), and the Series Resolution adopted by the Agency on November 16, 2009 (the "Series 2009 Resolution"). The Master Resolution and the Series 2009 Resolution are herein collectively referred to as the "Resolutions." Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

With respect to the Bonds, the Authority has entered into a Local ARRA Bond Purchase Agreement, dated as of December 1, 2009 (the "Local ARRA Bond Purchase Agreement"), with each of the municipalities identified on Schedule A (collectively, the "Municipalities) providing, among other things, for the sale to the Agency of each Municipality's Local ARRA Bonds. Payments by the Municipalities on the Local ARRA Bonds are structured to be sufficient to pay the principal, sinking fund installments and redemption price of and interest on the Bonds as the same become due.

The Bonds are to mature on the dates and in the years and amounts and interest on the Bonds is payable at the rates and in the amounts set forth in the Bond Series Certificate executed and delivered pursuant to the Resolutions.

The Bonds are to be issued in fully registered form and are payable, subject to redemption prior to maturity, exchangeable, transferable and secured upon such terms and conditions as are contained in the Resolutions and the Bond Series Certificate.

In such connection, we have reviewed the Resolutions, the Local ARRA Bond Purchase Agreement, the Tax Certificate and Agreement of the Agency dated as of the date hereof (the "Tax Certificate"), the Arbitrage and Use of Proceeds Certificate of the Municipalities dated as of the date hereof (the "Arbitrage and Use of Proceeds Certificate"), the bonds of the Municipalities delivered to the Agency in accordance with the Local ARRA Bond Purchase Agreement, opinions of counsel to the Agency, the Trustee and the Municipalities, the opinion of bond counsel to each Municipality, certificates of the Agency, the Trustee, the Municipalities and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

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 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 Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Agency. 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 Local ARRA Bond Purchase Agreement, the Tax Certificate and the Arbitrage and Use of Proceeds Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Federally Tax-Exempt Series 2009 Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Resolutions, the Local ARRA Bond Purchase Agreement, the Tax Certificate, the Arbitrage and Use of Proceeds Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

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

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

2. The Bonds have been duly and validly authorized to be issued and constitute the valid and binding special obligations of the Agency enforceable in accordance with their terms and the terms of the Master Resolution and the Series 2009 Resolution, will be payable solely from the sources provided therefor in the Master Resolution and the Series 2009 Resolution, and will be entitled to the benefit of the Master Resolution, the Series 2009 Resolution and the Act.

3. The Resolutions are in full force and effect, have been duly adopted by, and constitute the valid and binding obligations of, the Agency, enforceable in accordance with their terms. The Master Resolution and the Series 2009 Resolution create a valid pledge to secure the payment of the principal of and interest on the Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established pursuant to the Master Resolution and the Series 2009 Resolution, except the Arbitrage Rebate Fund created thereby, subject to the provisions of the Master Resolution and the Series 2009 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Master Resolution and the Series 2009 Resolution.

4. Each Local ARRA Bond Purchase Agreement has been duly executed and delivered by the Agency and, assuming due execution and delivery thereof by the applicable Municipality, constitutes the valid and binding agreement of the Agency enforceable in accordance with its terms.

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

6. Interest on Federally Tax-Exempt Series 2009 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Federally Tax-Exempt Series 2009 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, however we express no opinion as to whether some or all of the interest on the Federally Tax-Exempt Series 2009 Bonds is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Interest on Federally Taxable Series 2009 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the 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). We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Faithfully yours,

Schedule A

Town of Brookhaven
City of Rochester
County of Montgomery
County of Saratoga
County of Wayne
County of Warren

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STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY • RECOVERY ACT BONDS, SERIES 2009A, SERIES 2009B AND SERIES 2009C

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